DOMINION OF CANADA

OFFICIAL REPORT

OF

DEBATES

HOUSE OF COMMONS

FIRST SESSION—SIXTEENTH PARLIAMENT

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17 GEORGE V, 1926-27

VOLUME I, 1926-27

COMPRISING THE PERIOD FROM THE NINTH DAY OF DECEMBER, 1926, TO THE SIXTEENTH DAY OF MARCH, 1927, INCLUSIVE

BEING

VOLUME CLXXV FOR THE PERIOD 1875-1927

INDEX ISSUED IN A SEPARATE VOLUME



OTTAWA
F. A. ACLAND
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1927

HOUSE OF COMMONS

DEBATES

OF THE

OFFICIAL REPORT

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House of Commons Debates

OFFICIAL REPORT

Thursday, December 9, 1926

FIRST SESSION—SIXTEENTH PARLIAMENT

This being the day on which parliament is convoked by proclamation of the Governor General for the despatch of business, and the members of the House being assembled:

Arthur Beauchesne, Esquire, M.A., K.C., the Clerk of the House, read to the House a letter from the Governor General's Secretary, informing him that the Chief Justice of Canada, in his capacity as Deputy Governor General, would proceed to the Senate chamber on Thursday, the 9th of December at 3 p.m., to open the session.

A message was delivered by Major A. R. Thompson, Gentleman Usher of the Black Rod, as follows:

Gentlemen of the House of Commons:

His Honour the Deputy of His Excellency the Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

Accordingly, the House went up to the Senate chamber, when the Speaker of the Senate said:

Honourable Gentlemen of the Senate:

Gentlemen of the House of Commons:

I have it in command to let you know that His Excellency the Governor General does not see fit to declare the causes of his summoning the present Parliament of Canada until the Speaker of the House of Commons shall have been chosen according to law; but to-morrow, at the hour of three o'clock in the afternoon, His Excellency will declare the causes of calling this parliament.

And the members being returned to the Commons chamber:

ELECTION OF SPEAKER

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Beauchesne, for the second time this year, hon. members of the House of Commons of Canada have been reminded by the representative of His Excellency the Governor General that the first duty of a new parliament is to elect a Speaker. This, I might remind the House, is not only a duty but a right which is peculiarly its own. It is in no way the prerogative of the government to appoint the Speaker though, under our parliamentary practice, it has become the custom for the name of an hon. member of the House to be placed in nomination for that high office by the administration of the day.

In the mother of parliaments, whence we derive in the main our parliamentary usages and practices, a Speaker, once elected, is honoured by being re-elected to the chair at the beginning of a new parliament so long as he remains a member of the House of Commons. There has been a difference in practice in this particular in our House of Commons from that which exists in the British House. In our House of Commons the practice in successive parliaments has been for the most part to choose the Speakers alternately from members of English and French origin. To which practice it may be best to adhere is a matter which the House must decide for itself, and which cannot be determined except in the light of existing circumstances by the decision of successive parliaments. At the moment there would appear to be a very special reason why we should, at least for this parliament, follow the British practice.

At the opening of the last parliament, the House unanimously re-elected as Speaker, the hon. member for Gaspé (Mr. Lemieux), who, in the parliament preceding, had filled that high office with great ability, dignity and impartiality, and who is equally felicitous in the use of the English and French languages. When first elected Speaker in 1922, the hon. member for Gaspé had been continuously a member of the House of Commons for over a quarter of a century. This was a distinction which, with but two exceptions, was not enjoyed at the time by any other hon. member. When re-elected Speaker in the month of January of the present year, his period of continuous service as a member of the House of Commons had extended to thirty years, and this distinguished record admitted of but one exception. To-day the period of continuous service of the hon. member for Gaspé runs beyond thirty years and is unparalleled in the case of any other hon.

member. In the absence of a duly elected Speaker he stands to-day, literally, as the "first commoner."

In these circumstances, and knowing, as most of us do, how exceptionally qualified by natural endowments as well as by long experience, Hon. Mr. Lemieux is to preside over the deliberations of this House, to be the custodian of its honour, rights and privileges, as well as to maintain its venerable traditions, I believe it will be the wish of hon. members of all shades of political opinion that he should be accorded by unanimous vote of this assembly the high and honourable position to which, by long and distinguished service in its proceedings, he has become the rightful heir, and I therefore beg to move, seconded by Mr. Lapointe:

That the Honourable Rodolphe Lemieux, K.C., LL.D., member representing the electoral district of Gaspé, do take the chair of this House as Speaker.

Hon. HUGH GUTHRIE (Leader of the Opposition): Mr. Beauchesne, speaking for those who occupy this portion of the chamber and who are the official opposition in this House, I regret that we are not altogether in agreement with the reasons assigned by my right hon. friend the Prime Minister for the nomination which he has just made for the office of Speaker of this parliament. In any remarks which I have to make it must be understood that I have no personal objection to the hon. member for Gaspé (Mr. Lemieux), nor to his qualifications as presiding officer of this House. But I think stronger and better reasons should be shown why this House should be asked to break a very old-established custom in the parliament of Canada.

The Prime Minister has referred to the fact that in the British House of Commons a rule prevails whereby a Speaker once elected is elected for all subsequent parliaments so long as he retains his seat in the House. That rule has never been adopted in Canada and there are grave reasons why such a rule should not be adopted here. We have in this parliament of Canada a system of dual languages that has been recognized from confederation down to the present day, and in order that there should be no disparity between the two predominant races, the Anglo-Saxon race and the French race, in this country, our forefathers in this House, I think wisely decided that the high and dignified office of Speaker of the House of Commons should alternate between representatives of the two predominant races in Canada.

I think I am within the fact when I state that from confederation down to the present time the custom of alternating the Speaker-

ship in this way has prevailed. I doubt if there has been a single exception. Sir John Macdonald, during his long regime, followed the rule uniformly; Sir Wilfrid Laurier, during his long regime, followed the rule uniformly. Sir John Macdonald, in 1878 started with Mr. Speaker Blanchet, followed by Mr. Speaker Kirkpatrick, followed by Mr. Speaker Ouimet, then by Mr. Speaker White. When Sir Wilfrid Laurier obtained power, he recognized the custom in his very first parliament, in the ninth parliament of Canada, by appointing Mr. Speaker Edgar, who died during his term, and the term was filled out by Mr. Speaker Bain. For the next parliament Mr. Speaker Brodeur was chosen. He entered the government during his term of office, and the balance of the term was filled out by Mr. Speaker Belcourt. In the next parliament we had Mr. Speaker Sutherland, and following him, Mr. Speaker Marcil. Then, when Sir Robert Borden formed his government, we had Mr. Speaker Sproule, followed by Mr. Speaker Sevigny, and Mr. Speaker Rhodes. So we see that the rule was uniformly followed during that long period of time. It is a rule based on fairness, on justice, and on equality, and there is a great deal to be said in favour of it.

My hon. friend from Gaspé was appointed Speaker of the fourteenth parliament. He was again appointed Speaker of the fifteenth parliament, and now the Prime Minister of this country proposes the same individual as the Speaker of this sixteenth parliament, utterly disregarding the well-established and useful rule in this parliament. No good reason has been given by the Prime Minister for this evasion of the rule. It cannot be that he has not plenty of followers of English stock and of English language who would grace the Speaker's chair. Probably he is suffering in that respect from an embarrassment of riches at the present time. Certain it is that there are in the chamber, many followers of my right hon. friend who might well be selected, and the rule thereby maintained.

We all know that the wheel of political fortune will turn, and it is a good thing that it does turn in this country.

Some hon. MEMBERS: Hear, hear.

Mr. GUTHRIE: My hon. friends opposite, if they stop to ponder a minute, must know that it will turn in the future just as it has turned in the past, and when another government comes into power, are we to follow this precedent which it is proposed to establish here to-day? What would be said if another government established the precedent of ap-

pointing nothing but English speaking speakers? I do not think that would be fair; I do not think it would be just, and I do not think it would give the rights which our constitution intended to give to the two dominant races in this country.

For these reasons, Mr. Beauchesne, I desire with great respect to register the formal protest of the official opposition in regard to the course taken here this afternoon in connection with the Speakership of this House by my right hon. friend the Prime Minister. We are not disposed, however, to press the matter any further, certainly not to a division. A division would be misapprehended, and might be looked upon as in some way a personal slight or criticism of my hon. friend from Gaspe, and I can assure the House that we have no desire to make any such suggestion. I am one of those who have known the hon. member for Gaspe for a great many years now. I know something of his fitness and of his qualifications for the high office for which he has been proposed this afternoon by my right hon. friend the Prime Minister. We all admit his long experience; we all admit his great ability. It is true that during the past five years we have not on all occasions been able to agree with some of his rulings, but we have always bowed gracefully to his rulings, or we have placed ourselves within the judgment of the House of Commons. We all admire his urbanity. We all admire his wonderful patience. I confess that as I saw him in this House last January, day in and day out, night in and night out, presiding over this august assembly, I used to wonder where all his patience came from. I used to wonder what his thoughts were as he cast his eye over this chamber, and recalled that there was not a single member of the House of Commons who sat as a member of this House when the hon. member for Gaspe first entered this chamber. What a change! He saw no faces there that were in this House in 1896. He himself I think has changed the least of those who sit in this chamber to-day. He seems to have found for himself the secret of perpetual youth, and all we wish him is that he may be continued long in this chamber, not necessarily in the Speaker's chair, but long in this chamber, and that in the future he may be able to say of himself as the years go by, in the language of the poet,

For men may come and men may go,
But I go on forever.

Mr. ROBERT GARDINER (Acadia): Mr. Beauchesne, I am in the very happy position this afternoon that I can support the nomination by the Prime Minister of the hon. member for Gaspé (Mr. Lemieux) for the position of Speaker. Those of us who have had the opportunity of being in this chamber while he has occupied the position of Speaker can testify to his unfailing kindness, courtesy, integrity, and impartiality. I was rather pleased to hear the Prime Minister bring the question up this afternoon as he did, because we had been discussing the very same problem prior to coming into this House. The viewpoint we take is similar to that taken by the Prime Minister, but for different reasons. We believe that in view of the fact that this House contains now, and probably will in time to come, many groups, it is essential that we shall have for Speaker of the House the best man available irrespective of race or language. That is the attitude that we take in this matter. We believe that the hon. member for Gaspé is well qualified for the position. Indeed, we know of none in this House better qualified, and therefore we are willing to support the nomination of the Prime Minister.

I can quite understand, of course, that things may change. We created many new precedents last session, for instance, and we are no doubt going to create some new precedents this year, of which this is going to be one. We can quite understand, and I trust that our French-Canadian friends will recognize this as well, that in the years to come we may have a well qualified English speaker in the chair for many sessions of parliament, and we believe that it is essential in the interest of this House, in order that the business of the House may be carried on expeditiously that we should have in the Speaker's chair the best qualified member available.

Mr. R. S. WHITE (Mount Royal): Mr. Beauchesne, I venture, with a good deal of trepidation after what my parliamentary leader has said, to say a word in support of the nomination of Mr. Lemieux to the Speakership of this House, and I do it on personal grounds. It has been my good fortune and pleasure to have known Mr. Lemieux, for a period, I presume, of at least forty years, and I rejoice in the fact that my intercourse with him during that period has confirmed my respect for him as a man. He is the dean of this House, as the right hon. Prime Minister has told us. I might say that I entered this House some eight years before the hon. member for Gaspe, but I might also state that there was a great gap of thirty years between the time I resigned my position here and the time when I had the honour to re-enter this chamber. I concur absolutely,

without any qualification whatever, in the motion for the re-election of Mr. Lemieux to the position of Speaker.

It was stated a few moments ago with a good deal of force that the practice in Canada with regard to the Speakership has been to alternate between French-speaking and English-speaking Canadians. I would direct attention to the fact that after confederation Mr. Cockburn was nominated by Sir John A. Macdonald and was the first Speaker of the Canadian parliament. After the general election of 1872 Sir John A. Macdonald again nominated the same gentleman for the position of Speaker, intending obviously to follow the British practice of retaining in that exalted and important position a Speaker whose qualifications had been proved by experience. Subsequent to that the practice of alternation came into vogue, and the whole question at issue is as to whether the British practice, illustrated in the continuous service, as Speaker, of Arthur Onslow for thirty-four years in the British House of Commons, is to prevail in Canada, or whether we are to revert to the more recent practice of alternating between English-speaking and French-speaking members of the House? Speaking for myself alone, I disparage any distinction in respect to any position in this House, between a French Canadian and an English Canadian. I believe that the man possessing the qualifications, whatever the nationality of his forebears may have been, should be chosen upon his merits. Now test the member for Gaspe (Mr. Lemieux) by that measure. He has presided over this House for a period of some six years, and I believe that no Speaker, in the history of the House of Commons of Canada, has ever shown more dignity and more forcefulness than the hon. member for Gaspe. Hon. members may speak of partiality and may question the impartiality of the gentleman who is placed in this exalted position, and if I may digress for a moment, I recall that Mr. Joseph H. Choate, the celebrated diplomat, in toasting the then Chancellor of England, referring to the ancient character of the office, said that the antiquity of the Chancellor was so great that the spray of the deluge was upon him. That remark might almost be applied to the Speaker. Impartial! Yes, as impartial as it is given to any human being to be. There will be a natural and inevitable bias, subconscious it is true, but I venture to say that, subject to that inevitable bias, from which no one engaged in politics can free himself, Mr. Lemieux has conducted the duties of Speaker with fairness, and I hope with satisfaction to all parties. Therefore I say that the partiality of the Speaker is more likely to be pronounced when he occupies that position for a term of four years only than if he were to occupy the position for a term of forty years. The longer he occupies that position, in all logic, the more detached he should become from party bias.

Therefore, speaking for myself alone, I concur in what the Prime Minister has said, and desire to express my personal gratification in the fact that the hon. member for Gaspe is to preside over the deliberations of this House.

Mr. T. L. CHURCH (Toronto Northwest): I agree with everything that has been said in reference to the hon. member for Gaspe (Mr. Lemieux). He has many fine qualities of head and heart and is a distinguished Canadian. He has now been nominated to preside over this chamber during the coming parliament. I may say he is a good Canadian and Britisher and is regarded in Ontario as well as in Quebec as an outstanding Canadian, and a man of the most generous qualities.

However, I wish to raise an important principle in relation to the Speaker of the House. I refer to the fact that the hon. member proposed by the right hon. Prime Minister for the position of Speaker is a shareholder and director in some of the chartered banks and insurance companies in this country, who are continually coming to this House asking for favours and for legislation.

The hon. leader of the Progressives has spoken to-day and I wish to refer to remarks he has made. At a meeting of the directors of the Bank of Montreal on December 8, the great and distinguished Canadian now nominated for the position of Speaker referred to that institution as the cornerstone of our national credit and security. That may or may not be so. I might say to the Progressive members that we had a cabinet minister in this House and a former leader of the Progressives (Mr. Crerar) who looked upon the Home Bank of which he was a director, as the cornerstone of our national credit and security and the bank failed and ruined thousands. I find the hon. member now nominated is a director of the Montreal City Bank, a director of the National Life Insurance Company and a shareholder of the Bank of Montreal and some other chartered corporations in the country. I wish to utter my protest because I believe the day is coming in this country when we should regard our Speaker's chair as the most important office we have in the government of Canada. Giving due consideration to the importance of the

office we should, I submit, increase Mr. Speaker's remuneration accordingly and he should vacate all directorships. In my opinion this House should do all in its power to make the Chair as respected in Canada as it is in England. The Speaker's office should command the respect of all political parties and of all shades of opinion in the country. What did the Right Hon. Campbell-Bannerman do in Great Britain in 1905? He wisely decided that neither the Speaker nor any cabinet minister should any longer be a shareholder or a director in any corporation, bank, trust, combine or transportation company, and this practice has been carried out ever since for the reason that these concerns are constantly seeking favours and appealing to parliament for special legislation and privileges. The Hon. Mr. Crerar, who at one time was leader of the Progressive party in this House, was a director of the Home Bank in this country which came to this House asking for legislation of that character and the bank was wrecked. I do not believe that this sort of thing is in the public interest. Far better, in my opinion, is it that the Speaker should dissociate himself from any directorships whatever, and to that end this House should deal as generously with his office as possible, increasing his salary and allowances wherever necessary.

The Prime Minister (Mr. Mackenzie King) is just back from the old country with his pet Magna Charta of liberty and declaration of independence as it were. Let me impress upon him the importance of beginning right in his precedents in this new parliament and independent nation in a matter of such importance as this. Let us not create any undesirable precedents in relation to the presiding officer of the House. The Prime Minister, as I say, has come back now from the old land where he has been making so many speeches, and where he has secured this magnificent Magna Charta—a term misused and of which we have been hearing so much. We are now said to be a nation ready made. Let him see to it, therefore, that whoever may be chosen as Speaker in this House shall give up directorships and be free of criticism in this regard. I know that several thousands of the people in the province I come from suffered in the Home Bank disaster under Mr. Crerar's directorship, and this only emphasizes the importance of the point I am making. I have no objection to the personal qualifications of the nominee; I admire him and respect his ability. But I submit that this motion, if adopted, would constitute an unfortunate departure from British practice.

The Clerk of the House declared the motion carried in the affirmative, nemine contradicente, and Honourable Rodolphe Lemieux, member for the electoral division of Gaspé, duly elected to the Chair of the House.

Honourable Mr. Lemieux was conducted from his seat in the House to the Speaker's chair by Right Honourable W. L. Mackenzie King and Honourable Ernest Lapointe.

Mr. SPEAKER-ELECT said: Madam, fellow members of the House of Commons, for the third time I have been called to the high office of Speaker of the House of Commons. Let me assure you how deeply I appreciate your nomination. If the honour is great, greater still are the responsibilities.

After thirty years of continuous service in this House, where it has been my privilege to observe men and events, I more than ever realize that, in the discharge of my duties, justice, fair play and strict impartiality will always exercise a moderating influence on political passions. And need I say that the respect for parliamentary institutions in a young democracy like ours is too precious a boon not to be constantly set before my eyes as a guiding star. It is in that spirit that I intend to serve, placing my trust in the goodwill and co-operation of my fellow members. It will be my honour and duty to maintain those ancient privileges, liberties, customs and usages—in a word to live up to those noble traditions, the fruit of so many centuries of struggle, which have come to us as a legacy from the mother country and now stand as the beacon of modern civilization.

Mes chers collègues, pour la troisième fois, vous m'avez offert la présidence de la Chambre des communes.

En retour, permettez-moi de vous dire combien j'apprécie ce témoignage de confiance de votre part. Sans doute, l'honneur est grand, mais combien plus grandes encore les responsabilités!

Après trente années de service continu dans cette Chambre—où j'ai eu l'avantage d'observer hommes et choses—je me rends compte que dans l'exercice de mes fonctions, la justice, le franc jeu, l'impartialité sont le frein le plus salutaire au déchaînement des passions politiques. J'ajoute que le prestige des institutions parlementaires, dans une jeune démocratie comme la nôtre, est un bien trop désirable pour que je n'en sois pas constamment pénétré.

Voilà dans quelles dispositions d'esprit j'entends servir—recherchant votre concours et m'appuyant sur votre bon vouloir.

J'aurai toujours à cœur de maintenir les privilèges, les libertés, les us et coutumes, en un mot toutes ces glorieuses traditions parlementaires dont les origines remontent très loin dans l'histoire et qui constituent le legs le plus précieux que l'Angleterre, notre métropole, ait fait à la civilisation moderne.

DEPUTY SERGEANT-AT-ARMS

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

ADJOURNMENT

MARITIME CLAIMS COMMISSION REPORT

Mr. MACKENZIE KING moved the adjournment of the House.

Mr. GUTHRIE: Before you put the motion, Mr. Speaker, may I ask my right hon. friend to be good enough to lay on the table of the House the report of Sir Andrew Rae Duncan in connection with maritime matters. I understand that the report is ready for distribution, and while I know that it is not customary to lay documents on the table until the speech from the throne has been delivered, if to-morrow the Prime Minister will kindly table that report it will very much oblige us on this side.

Mr. MACKENZIE KING: It was the intention of the government to table the report to-morrow.

Motion agreed to and the House adjourned at 3.55 p.m.

Friday, December 10, 1926

The House met at three o'clock.

OPENING OF THE SESSION

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

A message was delivered by Major A. R. Thompson, Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, His Excellency the Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

Accordingly the House went up to the Senate chamber.

[Mr. Speaker.]

Then the Hon. Rodolphe Lemieux, Speaker-elect, said:

May it please Your Excellency,

The House of Commons have elected me as their Speaker, though I am but little able to fulfil the important duties thus assigned to me. If in the performance of these duties I should at any time fall into error, I pray that the fault may be imputed to me, and not to the Commons whose servant I am.

The Honourable the Speaker of the Senate, addressing the Honourable the Speaker of the House, then said:

Mr. Speaker, I am commanded by His Excellency the Governor General to assure you that your words and actions will constantly receive from him the most favourable construction.

Then His Excellency the Governor General was pleased to open parliament by a speech from the throne.

And the House being returned to the Commons chamber.

Mr. SPEAKER: I have the honour to state that the House having attended on His Excellency the Governor General in the Senate chamber, I informed His Excellency that the choice of Speaker had fallen upon me, and, in your names and on your behalf, I made the usual claim for your privileges, which His Excellency was pleased to confirm to you.

OATHS OF OFFICE

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

Motion agreed to. and bill read the first time.

GOVERNOR GENERAL'S SPEECH

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

Honourable Members of the Senate:

Members of the House of Commons:

I desire on this occasion to assure you of the great satisfaction it affords me to be associated with you in the important tasks upon which you are about to enter at this, the first session of the Sixteenth Parliament of Canada, and to avail myself of your assistance and advice in discharging the duties which His Majesty the King has entrusted to me as his representative.

Once again we have cause to be thankful for a bountiful harvest and other assurances of continued prosperity. It is gratifying to note that during the year the foreign trade of Canada has shown further marked improvement and that immigration has substantially increased.

The necessity of making adequate provision for the public services has compelled me to summon you at an earlier date than would otherwise have been necessary. In order to provide for present and immediate future needs, and to regularize expenditures already made, you will be asked forthwith to vote the necessary supply for the current financial year. It is not proposed to proceed with the ordinary business of the session until the reassembling of parliament in the new year.

Those government measures which passed the House of Commons at the last session of parliament, but which failed to become law, will be reintroduced. Amendments to the Canada Grain Act will also be submitted for your consideration.

With a view to expediting public business generally, it is proposed to afford opportunity for an early consideration of amendments to the rules of the House of Commons.

My government has continued to give special attention to the fuel problem and measures providing for assistance to works constructed for the production of domestic coke from Canadian coal will be submitted.

The report of the commission appointed under the Inquiries Act to examine and report upon conditions in the maritime provinces will be presented immediately and your attention will be invited to its recommendations. Measures dealing with the matters referred to in the report of the commission are now under consideration by my government, and certain legislation in respect thereto will be introduced.

Good progress has been made with work on the Hudson Bay railway and it is planned to continue construction at as early a date as possible next year. It has been decided to submit the study of conditions at the port to the careful examination of an outstanding British authority on tidal and estuarial conditions affecting harbours.

Canadian National branch line construction on the basis of a definite three-year programme having proved entirely successful, that method of dealing with necessary railway expansion will be continued, and another three-year programme will be submitted for your consideration.

You will also be asked to approve an agreement with the holders of Grand Trunk Pacific perpetual debentures.

Members of my government have just returned to Canada from attending the meetings of the Imperial conference. The report of the proceedings of the conference, together with its recommendations, will be placed before you for consideration. It will, I believe, be recognized that the joint labours of the governments represented at the conference have gone far to set forth the relations of the members of the British Commonwealth of Nations to one another and to foreign countries and to ensure a ready appreciation of the full measure of self-government now attained in all that relates to their domestic and external affairs. In the prolonged consideration given to specific matters of joint concern, the conference has done much to ensure the free and effective co-operation in common ends of the governments and peoples of the British Empire.

The recent appointment of a minister plenipotentiary accredited by His Majesty to represent the interests of Canada in the United States marks an important stage in the development of the international relations of the Dominion.

The diamond jubilee of confederation will be appropriately celebrated during the coming year. I am pleased to inform you that His Royal Highness the Prince of Wales has graciously accepted the invitation of my government to visit Canada, circumstances permitting, in connection with the celebration. My government has also extended an invitation to the Prime Minister of Great Britain; the Prime Minister has accepted the invitation and has expressed the hope that when the time arrives he may find it possible to be present.

Members of the House of Commons:

The estimates for the current fiscal year which have not hitherto been voted by parliament will, as already mentioned, be submitted for your approval forthwith. Estimates for the financial year 1927-28 will be submitted for your consideration when parliament reassembles.

Honourable Members of the Senate:

Members of the House of Commons:

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

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

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

SELECT STANDING COMMITTEES

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

That a special committee be appointed to prepare and report, with all convenient speed, lists of members to compose the select standing committees of this House under rule 10, said committee to be composed of Messieurs King (Kootenay), P. F. Casgrain H. A. Stewart (Leeds) and R. B. Hanson.

Mr. ROBERT GARDINER (Acadia): Before you put the motion Mr. Speaker, I desire respectfully to call the attention of the Prime Minister to the fact that there are in this House two or three groups who have no representative on that committee. I can quite understand how, in the rush of business, after the Prime Minister's recent return from Great Britain, he has overlooked this situation, and I merely draw it to his attention, and would respectfully ask him to give these groups some representation on that committee.

Mr. MACKENZIE KING: I desire to point out to my hon. friend that the committee is a very small one, as he will observe, and I have not the slightest doubt that each member of the committee will be quite ready

to confer with my hon. friend and with the representatives of other groups in the House in preparing the report. Speaking for the government, I may say that I have every desire to treat fairly all sections of the House.

Motion agreed to.

INTERNAL ECONOMY COMMISSION

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

The Governor General transmits to the House of Commons a certified copy of an approved Minute of Council appointing the Honourable W. R. Motherwell, Minister of Agriculture, the Honourable J. H. King, Minister of Health and Minister of Soldiers' Civil Re-establishment, the Honourable J. C. Elliott, Minister of Public Works; and the Honourable Fernand Rinfret, Secretary of State, to act with the Speaker of the House of Commons, as commissioners for the purposes and under the provisions of the eleventh chapter of the Revised Statutes of Canada, 1906, intituled 'An Act respecting the House of Commons."

MARITIME CLAIMS COMMISSION

REPORT LAID ON THE TABLE BY PRIME MINISTER

Right Hon. W. L. MACKENZIE KING (Prime Minister): I beg to lay on the table a copy of a report on the maritime claims, requested by the hon. leader of the opposition yesterday. I move, seconded by the Hon. Mr. Lapointe, that a thousand copies in English and five hundred copies in French of the report of the Royal Commission on Maritime Claims be printed forthwith, and that rule 74 be suspended in relation thereto.

Motion agreed to.

IMPERIAL CONFERENCE

SUMMARY OF PROCEEDINGS TABLED BY PRIME MINISTER

Right Hon. W. L. MACKENZIE KING (Prime Minister): I desire to lay on the table a summary of proceedings of the Imperial conference 1926, including the report of the committee on inter-imperial relations. The appendices to the summary, containing reports of other committees and sub-committees, will be laid on the table as soon as the compilation is completed.

I move that a thousand copies in English and five hundred copies in French of the summary of the imperial proceedings of the conference of 1926, laid upon the table of the House this day, be printed forthwith, and that rule 74 be suspended in relation thereto.

Motion agreed to.

[Mr. Mackenzie King.]

SUPPLY

Hon. J. A. ROBB (Minister of Finance): As intimated in the address just received from His Excellency, the Governor General, it will be necessary to provide for carrying on the public service for the month of December, and I therefore move:

That this House will on Monday next resolve itself into a committee to consider the supply to be granted to His Majesty, and that rule 76 in relation thereto be suspended.

Motion agreed to.

Hon. J. A. ROBB (Minister of Finance) moved:

That this House will on Monday next resolve itself into a committee to consider ways and means for the raising of the supplies to be granted to His Majesty, and that rule 76 in relation thereto be suspended.

Motion agreed to.

ESTIMATES FOR 1926-27

A message from His Excellency the Governor General transmitting estimates for the financial year ending March 31, 1927, was presented by Hon. J. A. Robb (Minister of Finance), read by Mr. Speaker to the House, and referred to the committee of Supply.

Mr. ROBB: I have just placed on the table the estimates for the financial year ending March 31, 1927, exactly as presented to parliament last session. I now desire to place on the table, so that it will be available in the distribution office for hon. members, explanations of estimates, governor general's warrants, and interim supply.

I also desire to lay on the table, for the information of the House a statement prepared in the Department of Finance showing in months and in the aggregate, the amount of governor general's warrants issued since dissolution for the various departmental services.

On motion of Mr. Mackenzie King, the House adjourned at 4.08 p.m.

Monday, December 13, 1926

The House met at three o'clock.

THE LATE MR. J. C. DOUGLAS

TRIBUTES PAID BY MESSIEURS MACKENZIE KING, GUTHRIE AND EVANS

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, may I express to my hon. friend the leader of the opposition (Mr. Guthrie) and the members of his party the deep sympathy which those

of us on this side of the House feel in the loss which his party has sustained in the sudden death of one of its members, Mr. John C. Douglas, the member for Antigonish-Guysborough? May I also express to the friends and relatives of the deceased member the sympathy which this House will feel towards them?

On Friday last when the hon. member entered this parliament to attend the opening ceremonies the flag on the main tower was flying at top mast. It was lowered at sundown only to be raised to half mast at day-break on the morrow out of respect to his memory. Surely there could be no more striking reminder of the "one clear call" which sooner or later every one of us will be summoned to obey, and which, in the exercise of our duties, may well cause us to say with the Psalmist: "So teach us to number our days that we may apply our hearts unto wisdom."

The late Mr. Douglas had scarcely more than completed his fifty-second year. He was born in Stellarton, Nova Scotia, in 1874, and was educated at the leading academy and universities of that province. He was by profession a barrister and a journalist. For over a quarter of a century his life was identified with the politics of his native province. In 1900 he entered municipal politics as councillor, and was subsequently, for several years, mayor of Glace Bay. In 1911 and 1916 he was elected a member of the Nova Scotia legislature. Hon. members who sat in this House during the thirteenth parliament will remember him as member at that time for Cape Breton South and Richmond. He became attorney general in the Rhodes administration upon its formation in 1925. This position he resigned to contest Antigonish-Guysborough in the recent federal election. Mr. Douglas won the seat, but there appears to be little doubt that the condition of his heart which occasioned his sudden death was due in no inconsiderable measure to the fatigue, strain and incidental anxieties of the campaign.

Though his career has been brought to a close at the moment it might have been expected to be nearing its zenith, Mr. Douglas' political activities and public services have been such that he will long be remembered as a leading Conservative figure in the politics of the maritime provinces.

Hon. HUGH GUTHRIE (Leader of the Opposition): Mr. Speaker, those of us who sit upon this side of the House desire to associate ourselves with the kindly expressions of regret which have just been voiced by the Prime Minister over the death of our lamented colleague, John Douglas. The awful suddenness of the call in his case has impressed us tremendously. We who saw him on Friday last in apparent health and vigour can hardly yet realize that he has been taken from us.

I desire to add my testimony to the kind words of the Prime Minister in respect of the late John Douglas. I knew him well in this House between the years of 1917 and 1921. He was a genial, kind-hearted man, always willing to assist in any work, willing to share any burden or responsibility, a man who commanded friendship on both sides of the House. Before he came to Ottawa he had a good parliamentary training in the legislature of his province. He had also an excellent position at the bar of Nova Scotia. He had been engaged in municipal life there successfully, as the Prime Minister has stated. I suppose the culmination of his career as a public man was when he achieved the very distinguished office of Attorney General of the Province of Nova Scotia. To a lawyer that is sometimes looked upon as the culmination of a career. It is a very high and distinguished honour for any lawyer to attain. However, he relinquished that high post for the purpose of giving his services in the parliament of Canada. This parliament must regret the loss of men like John Douglas. The province of Nova Scotia will feel his loss, but we sitting here on your left, Mr. Speaker, will probably feel that loss more keenly than anybody. We realize, of course, that there is nothing we can do. We realize we can only express our regret in all the sad circumstances and bow our heads to the inevitable.

Mr. JOHN EVANS (Rosetown): Mr. Speaker, speaking for this part of the House, I wish to say that although we knew very little of the hon. member for Antigonish-Guysborough (Mr. Douglas), we certainly regret his death in the peculiarly sad circumstances, and we wish also to extend our sympathy to those to whom he was near and dear.

ST. LAWRENCE WATERWAY

On the Orders of the Day:

Mr. H. A. STEWART (Leeds): I would like to ask the government, and particularly the Minister of Railways (Mr. Dunning), whether the report of the Joint Board of Engineers in connection with the St. Lawrence development will be laid on the table of the House, and if so, whether it will be available to members during the coming adjournment.

Hon. CHARLES A. DUNNING (Minister of Railways and Canals): I shall make inquiries regarding the present situation of the matter, Mr. Speaker.

PRIVILEGE—MR. BROWN

On the Orders of the Day:

Mr. J. L. BROWN (Lisgar): On a question of privilege, Mr. Speaker, I wish to correct a report that has appeared in one of the Ottawa papers, and if I may, I shall read a very brief extract:

> Premier King and his cabinet met the rank and file of the Liberal party and with the group of nine Liberal-Progressives who entered the Liberal camp with their leader of last session, Robert Forke.

As a matter of accuracy, the nine Liberal-Progressive members referred to were not present. This occasion may afford me an opportunity, Mr. Speaker, for making a statement with reference to a resolution that was passed at Winnipeg on September 22, 1926, as follows:

> Resolution passed by Liberal-Progressive Members for Manitoba at Winnipeg
>
> It was recognized that the country had demanded a stable government and the group are anxious to comply with that demand.
>
> That the policies upon which the Progressives and Liberals were elected are based upon common principles.
>
> That for the enactment of legislation embodying those policies the group are in favour of the acceptance of a portfolio by Mr. Forke in the Liberal cabinet.
>
> That such acceptance shall be upon condition that the Progressive party shall give united support to the government upon those principles, and that the Progressive group shall retain its identity as hitherto.

This statement is made in behalf of the members for Lisgar, Selkirk, Provencher, Souris, Neepawa, Marquette, Dauphin, Qu'Appelle, Macdonald and North Huron.

GOVERNOR GENERAL'S SPEECH

ADDRESS IN REPLY MOVED BY MR. L. M. AUGER SECONDED BY MR. E. A. MCPHERSON

The House proceeded to the consideration of the speech of His Excellency the Governor General at the opening of the session.

Mr. LOUIS AUGER (Prescott) (Translation): Mr. Speaker, in accepting the task and the honour conferred by the government, I am relying upon the leniency of the House and I feel confident that it will not be denied to a new and quite a young member who finds himself besieged by fear at the sight of the grandeur and majesty of his surroundings. In the presence of so distinguished political men of all parties—friends and opponents—I well realize, notwithstanding all the illusions pertaining to youth, the deficiency of my personal qualifications and I am fully aware that it is not to my humble personality I owe this privilege, for which I am proud and thankful, of moving the address in answer to the speech from the throne.

The government are broad-minded and magnanimous. In conferring on me this honour they have their eyes on the people of the old French constituency of Prescott, always faithful to their policy. Neither was the French Canadian minority of Ontario lost sight of. Allow me, Sir, on behalf of all my fellow-citizens of Ontario and especially those of Prescott, to lay at the feet of the government, who honours them in my person, the very respectful homage of my most vivid and deepest gratitude.

May I be further permitted, before discussing the speech from the throne, to greet His Excellency the Governor General and his worthy spouse with the warmest welcome, and thank him for accepting the very high and dignified post of representative of the British Crown in our country. We are overjoyed at his appointment. To us he is not a stranger. His high reputation as a diplomat, acquired while he was Viceroy of India and Bombay, preceded him among us. Moreover, he is somewhat of a Canadian through the work accomplished by his ancestors in this country. Canadian readers have read with much interest the book entitled: A Voyage Around the World in the Sunbeam, and the author of which is no other than Lady Brassey, the revered mother of Her Excellency Lady Willingdon. For all the above reasons, His Excellency may rest assured of meeting here open arms and hearts filled with loyalty and affection.

There is a further agreeable and pleasant duty devolving upon me, that of welcoming the return of the right hon. the Prime Minister (Mr. Mackenzie King), and the hon. Minister of Justice (Mr. Lapointe). Having left this country immediately after the great electoral victory, for which they were mainly responsible, they return among us from London, greatly enhanced through the work they have accomplished for the maintenance and natural development of Canadian autonomy and for the welfare of the other parts of the empire.

Allow me, Mr. Speaker, to offer you my sincere congratulations on your re-election to the Speakership of this House. It is to your impartiality, tact, judgment and dignity that you owe this third term. For my part, I shall further add to the unanimous praise that you have already received from this House: the wish that you may remain among us a long time, in order that we may re-elect you a score of times to preside over our deliberations.

I wish also to congratulate the new ministers of His Majesty. They have shouldered great responsibilities as well as honours. We must bow to their ability and personal merit, and wish them the greatest possible success in the accomplishment of their new tasks.

Although, perhaps, I may not always share the same views as the hon. leader of the opposition (Mr. Guthrie), I have too broad a mind not to appreciate the well-deserved success which he attained at the Conservative convention, and it gives me great pleasure to offer him my sincere congratulations. Everybody recognizes his high qualifications and his experience.

In looking over the speech from the throne, I note that many legislative measures will be presented for the approval of this House. I shall not enter into the details of each one of said measures, many of which were left over from last session. However, I wish to draw attention to the one which will bring relief to the grievances of the maritime provinces, also to those which concern rural credits and the pensions to old age. We cannot grant too many favours and too much protection to the farming or labouring classes who will always remain, whatever may be said or done, the source of generous toils and heroic sacrifices, in a word, the basis of all national prosperity.

I also note with pleasure that the measures embodied in the speech from the throne interest all the people of the Dominion: Here, we find proposed measures which are of special interest to the west; there, the maritime provinces lay claim to their rights; further on, we come across measures which will benefit all citizens of Canada, the provinces of Quebec and Ontario, as well as the west and the maritime provinces, This tends to emphasize the nature of the present government's policy. Sir, is not this solicitude for the general welfare of the whole country remarkable? No part, class, or race is forgotten. Should we not be proud of an administration which, by a sound and well thought out policy, tends to dissipate all causes of grievances and friction? For the last five years, Sir, the government has put into practice this efficient policy of fair play, good understanding, and harmony and I state, without fear of contradiction, that this is one of the great reasons for their splendid triumph at the polls on September 14 last.

To be powerful and prosperous, a nation must be united, and there is no possible union should there exist reasons for some to complain of others. To redress grievances of classes, localities, or races by justice and conciliation, are the very means required to unite the various elements of our young nation and thereby render it more prosperous and happy. The germs of peace which the government is prepared to sow in the hearts of our citizens will bear abundant fruit and the people will maintain in power for a long time those makers of union and peace. When these proposed measures come before us, Sir, we shall consider them calmly and judiciously, laying aside and sacrificing, if necessary, our personal interests and ambitions to think only of the interests of the nation as a whole, which demands everywhere and always citizens happy and contented with their lot.

As the right hon. Prime Minister stated, the party must serve the cause and not the cause the party. Consequently, when these measures are considered, we shall not have paltry and narrow views; but patriotism being the guiding light of the intellect and will of the representatives of the nation, we shall witness, I trust, a unanimous chorus of approbation in regard to this peace-making program.

Another aspect of the speech from the throne, which gives us pleasure to note, is the ever-increasing prosperity of the country. What a contrast, Sir, between the present conditions in Canada and those that existed five years ago. Look at the official statistics, read the statements of the Dominion banks, containing the views of authorities in financial matters.

Everything in 1921, reminded us of deficits in railways and in the general administration of the increase in the national debt and of trade and industrial failures of taxes always the more burdensome and the sorry nation, downcast and without hope, was drifting rapidly towards the deep chasm of hideous bankruptcy.

However, such is not its lot to-day. Canada is moving towards the future with a firm and assured step. A wave of enthusiasm has spread over the nation which knows no fear, now that a sound economy has put a stop to the series of disastrous failures and replaced them by surpluses in the budget, sufficient to decrease the national debt and realize reductions in taxation which burdened so heavily the Canadian rate-payers. Without fear and relieved from taxation, the people have faith and this faith stimulates their farming, trade and industrial activities. Thanks to this stimulant and also to the trade conventions with the other nations, production and sales have increased in our country. Our trade operations are profitable and show a favourable trade balance of more than $400,000,000 for last year. In other words the amount of money disbursed by other nations increases so much more our national reserve and strengthens

in a like manner our farming or manufacturing industries. The solicitude of the present administration for the general welfare of Canada has produced splendid results, of which an eloquent testimonial is furnished by foreign capital having no further fear of investment in our country and thus creating here and there centres of industries where to-morrow large and prosperous towns will spring up.

The speech from the throne moreover contains a reference to our inter-imperial relations. Good work was accomplished at the last Imperial conference and whatever news that has leaked out redounds to the patriotism and foresight of our delegates whose speeches over there were in keeping with Canadian statesmanship. The right hon. Prime Minister and the hon. Minister of Justice advocated the only policy which, in my humble opinion, safeguards the legitimate interests of our dear country and guarantees the permanency of the empire; that is to say the complete autonomy of the dominions and a free coöperation between the various countries thus united by the superior and powerful ties of friendship.

Citizens of Canada, without distinction of race or creed consider themselves as Britishers just as much as their brothers in England. They are loyal and desire the maintenance of the imperial ties, they nevertheless love their country and will not be happy until the day when they will fully share the privilege of British institutions for which they are ready to once more make the generous sacrifices which their ancestors made to obtain and safeguard them. Therefore they gladly welcome the appointment of the Hon. Vincent Massey as Canadian Representative to Washington. To them, it is the consecration of the courageous act of the hon. Minister of Justice, at the time Minister of Marine and Fisheries, when he attached his signature alone as Canadian representative to the 1923 Halibut treaty with the United States, and thus broke away from the old custom which required that the British ambassador in the United States' capital should be the only one authorized by His Majesty to sign, on our behalf, our conventions with our neighbours.

We are gradually progressing towards our high destinies as a nation, and we must congratulate the government which has just taken this forward step and has made such a judicious choice in the person of the first Canadian Representative.

We are invited to celebrate, this year, the diamond jubilee of the Canadian confederation. At the time when this pact was agreed upon between the provinces, it was a source of apprehension on the part of many upright and patriotic persons who doubted the possibility of a lasting agreement between the various elements in our country. However, the fathers of confederation based the Confederation pact on a spirit of harmony that will ensure its permanency. It is the spirit of fair-play, harmony, conciliation and mutual concession.

As a French Canadian, I take the liberty of expressing the feelings of my race. If we have wronged any one since Confederation, let us know whom, what race, what province, and we shall be but too happy to redress the wrong. On the other hand, I expect the same broadness of mind and the same loyalty on the part of my English speaking fellow-citizens. The jubilee of confederation should be a cause of rejoicing for all Canadians, whether they are English, Irish, Scotch or French Canadian. Again speaking on behalf of my people, we are ready to do our share in order that harmony and peace may always reign in our country.

The political history of my race shows that always we have shown a disposition to side with justice and conciliation. Never have we been moved by bigotry in voting in order to oppose a man, a party or a race. We have weighed the parties and their political programmes in the light of a reason tempered by a generous and patriotic sentiment. We want a united, happy and prosperous Canada. That is our ambition, and that explains the almost unanimous adhesion of our people to the peaceful policy of the right hon. Prime Minister and his government. We shall continue to love Canada, all its citizens and all its provinces, from the Atlantic to the Pacific, from north to south, without any distinction whatsoever of race, language or creed. For my part, I hope to always support in this House, measures of justice and national welfare which will continue to bring more happiness and more prosperity within the boundaries of this country.

Consequently, and stirred by such sentiments, I have the honour to move that an address be forwarded to His Excellency the Governor General to humbly thank him for the speech which he so graciously delivered to both houses of parliament.

Mr. E. A. McPHERSON (Portage la Prairie): Mr. Speaker, I must confess that I rise to address this House with considerable fear and trembling, both mentally and physically. Knowing as I do the composition of this House, and realizing the fact that the greatest orators and statesmen of Canada have occupied the attention of this chamber on previous occasions, it is very difficult for

me to know what I can say that will be of real importance or of interest to hon. members. I can only protect myself to a certain extent from perhaps just but severe criticism by reminding those members who, in common with myself, are new members, that they will soon be in my position. I know that the old members will be lenient in their judgment when I remind them of the occasion on which they were first placed in a similar position. I realized, Mr. Speaker, when I was asked to second the address in reply to the speech from the throne that the choice was not made from a personal standpoint but from the standpoint of constituency. On that ground I can justify the choosing of myself as the seconder of the address, but on no other ground.

The constituency which I represent has a unique history in the annals of Dominion politics. In the first election held in that constituency in 1871 there were two candidates, and the result of the polling was a tie. Owing to the fact that there was no provision for a casting vote by the deputy returning officer the two members were both sworn in and given a seat in this House. Another reason is that the constituency was represented, as every hon. member of this House knows, by one of the greatest men that Canada has ever produced, and who will always be regarded as such. I refer to the fact that the late Sir John A. Macdonald was returned by the electors of Portage la Prairie in 1878. To be represented by such a man is a distinction that any constituency can be proud of. I do not wish to go too much into detail, but I must mention one or two others. Sir John A. Macdonald was followed by a gentleman who is a friend of all the old members of the House and who has been a friend of every member in this House. Our constituency was represented for years by Robert Watson, now Senator Watson. I do not think, Mr. Speaker, that the west has ever realized the work that Senator Watson did on behalf of that constituency during the long years when he was a voice crying in the wilderness, when he was the only Liberal member west of the great lakes. He was followed by a gentleman who was quite prominent, although not from a political standpoint. I refer to Dr. J. G. Rutherford, a Scotchman with a big heart and a bitter tongue, but he was a man above others, and as an official in the Department of Agriculture I think gave more to this Dominion in connection with animal husbandry than any other official has done at any time. Following him, at a later date, the constituency was honoured by having as its representative the Right Hon. Arthur Meighen, a warm personal friend of mine and a gentleman possessing great ability. In twenty years we disagreed on one thing only, but from a House point it was rather important. As to whether he was right or I was right I do not know. We had our own opinions—perhaps posterity will decide we were both wrong. But as I think of all these gentlemen who have represented the constituency, whom I cannot hope to equal in the matter of ability, it makes my task doubly hard. For these reasons I wish to thank the right hon. Prime Minister (Mr. Mackenzie King) and his colleagues for the honour they have conferred on the constituency through its humble representative.

It is also most fitting, Mr. Speaker, that I should congratulate you upon your election to your present position. It was not necessary to hear the words of commendation expressed the other day by hon. members of this House, because your reputation is not at all restricted to this part of Canada, but is as well known in the west as in the east. I sincerely congratulate you. I wish also, on behalf of the western portion of the Dominion especially, to congratulate the country on the fact that we have now with us Lord Willingdon as the representative of His Majesty the King. His long and distinguished career is a guarantee that the bonds of friendship and loyalty existing between this country and the motherland will be strengthened as the days go by, and I am satisfied that in the discharge of his duties he will be ably assisted by his gracious consort, Lady Willingdon, and that she will endear herself to the hearts of Canadians, as her predecessors have done in the past.

In connection with the bond of empire it is fitting that I should congratulate the right hon. Prime Minister and the Minister of Justice (Mr. Lapointe) upon the prominent part they took in the conference from which they recently returned, and the favourable position in which they placed our Dominion in connection with the affairs of the empire. If some years ago, or some months ago, I could have foreseen that I was likely to occupy my present position I might have devoted more time to the consideration of Dominion politics as a whole, but not expecting such an occasion to arise, I must confess that my interest in Dominion politics has been largely confined to those questions which interest us in the western provinces. This attitude was not taken from the standpoint of sectionalism, but because we felt that we required certain

things in that country to obtain which it was necessary that we should make some effort to force our opinion upon the people of the Dominion. It is true that we had broadcast our demands at great length and for a great many years, on the supposition that the rule, that if ye ask ye shall receive would be followed. But there seemed to be some difficulty about the reception of these requests at Ottawa, and results were not always as satisfactory as we expected. But I am glad to state that during the last two or three years things have apparently taken a turn for the better. I might confess in reference to western conditions that while we as westerners may talk a lot about our demands out there, I submit that anything that is for the good of western Canada is for the good of Canada as a whole, and that the prosperity of eastern Canada, especially the central provinces, is wrapped up to a great extent in the prosperity of western Canada. So that we are not altogether selfish when we make some few demands from time to time.

I am also glad to note, Mr. Speaker, that there are indications in the speech from the throne of further recognition of conditions in the west. The question that interests us to a very great extent, and one which must interest all of Canada, is the question of immigration. It is quite true that since the war of 1914 was brought to a close conditions have been such that any thorough scheme of immigration was difficult to carry out. But we have a territory out there which, although populated over a large area, is really sparsely settled in whole, a territory which can hold a great many more immigrants and a great many more producers. I would submit that the most necessary type of immigrant is he who is willing to go on the land and become a producer, that through him only can the wealth of the nation be built up, and that immigrants in other walks of life will naturally follow as a demand is made for their services. So I am glad to know that we are to have a progressive and deliberate attempt to bring in as many settlers as possible for that purpose.

In conjunction with this, I also note that it is the intention to extend branch lines of the Canadian National railway in western Canada. This is just as necessary both from the standpoint of those who are now living in sparsely settled districts and for the purpose of giving immigrants proper accommodation and market facilities. There are large areas where the farmers still have to haul their grain to market for considerably longer distances than they should have to do in order to compete with others in the same line of life.

I am not going to discuss the completion of the Hudson Bay railway because we in the west regard that question as settled and feel that we are now going to have whatever benefits will accrue from the completion and operation of the railway. Leaving aside all argument as to the advisability of the Hudson Bay railway, I might draw to the attention of the House the fact that the people living in any district think that that district is the only place that is worth while considering. I myself went into the district of Portage la Prairie when there was no railway there, and I can remember as I grew up the criticism of the building of the Canadian Pacific railway on the ground that the country to be served would never be worth anything. Of course, events have proved that criticism to have been absolutely without foundation. In like manner I submit we might be hasty in our judgment should we consider that portion of Canada lying between The Pas and Hudson bay to be a wilderness and not worth while developing. I think the development of the natural resources along the line will amply warrant the expenditures on this railway, and that western Canada in particular and Canada as a whole will eventually reap very substantial benefits from the construction of the Hudson Bay railway.

Now, Mr. Speaker, there is one other point in the Speech from the Throne which I wish to discuss shortly, and perhaps it is of more interest to me than to any other member of this House. I refer to the suggestion that the legislation which was not completed last session will be completed in this. This legislation includes the re-valuation of soldier settlers' land. When I am told that in the district lying between lake Winnipeg and lake Manitoba and on the west side of lake Manitoba the conditions of the soldier settlers are worse than in any other part of the Dominion, I regret to say that I cannot very well contradict the statement. I had heard rumours of it from time to time, but I did not realize the gravity of the situation until I went through that district. I am not for a moment suggesting any criticism of what has been done, I do not know who is to blame, but regardless of why or how the conditions arose, Mr. Speaker, I would ask this House to consider that we have a large number of soldier settlers up there who are in dire want, and unless they are relieved without much further delay it is doubtful if they will be able to remain on their holdings. A number of them have al-

ready left. I met man after man up there who pointed out to me that there was no possibility of his paying for his land, let alone earning sufficient to return him a good living at the present time. These men did not consider dollars and cents when they volunteered for service to the empire in the days of emergency. Indeed we could not have got one of them to go through what they went through merely for money. Therefore I submit it is not up to the government or to the people of Canada at this stage to consider the financial cost of giving those men justice and fair treatment and thus enabling them to build up homes where they are now located. In short, in considering this the government and the country should deal with these men not on a business basis at all but on a basis of justice and right. These men are not trying to live on their reputation as soldiers. They have gone up there and in spite of the natural difficulties which have existed in that district during the last four years they have hung on in the hope that they would be able to maintain homes for themselves and their families. For that reason one of the first things I should like to see this House give attention to is the revaluation of the land of our soldier settlers, otherwise many of these men will have to abandon their homes. I have seen those so-called "soulless" corporations, the banks of this Dominion, write off agreements of sale on land purchased at the high valuations which existed in the west five or six years ago, I have seen them write off all the interest and reduce the capital by almost fifty per cent, in order that those who bought land under those conditions might maintain their homes and eventually make them their own. When those so-called soulless corporations will do that as a business proposition, how much more should the Dominion be generous in its treatment of these men who are trying to maintain their homes under almost impossible circumstances?

Now, Sir, I have almost broken the rule of brevity that I imposed on myself when I rose. I think perhaps the best interests of the Dominion as a whole will be served and the business of this House will be expedited by the adoption of the amendments to the rules of the House with a view to curtail useless debate. I think our people as a whole will welcome any change that will make our work go through more rapidly and with less discussion. I can only justify my own remarks, Mr. Speaker, on two grounds: I was forced into it, and it is a matter which has to be taken up. I thank you, Mr. Speaker, for your kind attention.

Hon. HUGH GUTHRIE (Leader of the Opposition): Mr. Speaker, let my first formal utterance as leader for the time being of His Majesty's loyal opposition in this chamber be words of welcome to the shores of Canada to His Excellency the Governor General as the representative of our sovereign lord the King in this vast and important part of His Majesty's overseas dominions. The people of Canada upon looking backward to the year 1867, the year of confederation, are at all times wont to recall with pride and satisfaction the long line of distinguished statesmen and publicists who have been selected from time to time to represent their own and our sovereign in the government of this country.

In the present instance the people of Canada, without distinction of race or creed or party, will rejoice that the choice of a representative of His Majesty has fallen upon one so prominent, so well versed both in the affairs of the motherland and of the empire in general, and likewise upon one so well qualified by broad and varied experience in the intricacies of government as is His Excellency the present Governor General. To His Excellency and to his gracious spouse, Her Excellency, this House and this country will unite in according a most sincere and hearty welcome.

May I at this point pause for a moment to offer a word of congratulation to my right hon. friend the Prime Minister (Mr. Mackenzie King) and to his colleague the Minister of Justice (Mr. Lapointe) upon their safe return to their native land, after having been participants in an Imperial conference at the ancient capital of the empire. Before concluding my remarks I may have something to say in regard to the deliberations and the conclusions of that conference, but at the moment my only wish is to convey to Canada's two distinguished representatives at the conference the pleasure which we all experience in this House in seeing them back again in apparent health, strength and vigour.

I now turn for a moment to the hon. member for Prescott (Mr. Auger) and the hon. member for Portage la Prairie (Mr. McPherson) and to the speeches to which this House has listened this afternoon from these two gentlemen. I tender them the sincere congratulations of those who sit on this side of the House upon the manner in which each of them has acquitted himself to-day and has discharged the important and honourable function which has devolved upon him. Both in this parliament and in the mother of parliaments at Westminster, the honourable and important duty of moving and seconding the address in reply to the speech from the throne usually falls to the lot of those who

might be considered to be newcomers to the parliamentary arena; and the very novelty of the task, the novelty of the surroundings, may well cause some hesitation, some trepidation, even to the boldest and the best equipped. The hon. member for Prescott and the hon. member for Portage la Prairie have this afternoon demonstrated their ability under trying and difficult circumstances and are entitled to the warm congratulations of this assembly both upon the knowledge of our public affairs which they have displayed and upon their grasp of public issues. We can predict for them, I think, in the course of their public life in this country usefulness at all times as well as opportunities for turning their abilities to account in this great deliberative body of Canada.

I may perhaps be permitted a personal allusion. When I speak of hesitation and trepidation in respect of one whose duty it is to move or to second the address, I speak from personal experience. It is a little over a quarter of a century since I had the honour of rising for the first time and moving an address in reply to the speech from the throne, and I well remember with what misgivings I performed my task on that occasion. My reason for mentioning the incident to-day is the fact that I see before me at this moment, in the person of my hon. friend from Bonaventure (Mr. Marcil), the man who, over a quarter of a century ago, seconded the address on that same occasion, and I am very glad to be able to say that both in his case and in mine each of us has continuously remained a member of this House, sitting ever since for the constituencies which we respectively represented in 1901.

In the speech from the throne there is on this occasion one matter that deserves perhaps more than passing comment. The near approach of the sixtieth anniversary of confederation is an important milestone in our national history. The proximity of that event is itself sufficient to arouse a certain amount of patriotic fervour in the breasts of our citizens. But when that announcement is coupled with the intimation that we may reasonably expect His Royal Highness the Prince of Wales, the Heir Apparent to the Throne, to be with us at that time the event will certainly become of still greater importance to Canada. Nothing could make that event nobler, grander, more patriotic, more historic than the visit of His Royal Highness, unless it were a visit in person from Their Gracious Majesties themselves. We are also delighted to know that an invitation has been forwarded to the right hon. Prime Minister of Great Britain, who has accepted that invitation, and will endeavour if possible to be with us to celebrate our sixtieth anniversary. It has, I think, been correctly stated that up to the present time no prime minister of Great Britain, while holding office, has ever visited Canada. So that we look forward with special interest to the First of July next, when we hope to have the pleasure of welcoming to the shores of this country the Prime Minister of Great Britain during his term of office.

I have to thank my hon. friend from Prescott for the kindly and the too flattering references which he made to myself. I know that I can never measure up to the requirements and to the high standard which he has set me. All I can assure him is that I will do my best in the position which for the time being I am proud to occupy. That position I occupy, of course, by reason of the fact that the election of September last proved disastrous to the Conservative party generally but particularly disastrous in the loss of our great leader. Speaking, not as a partisan, not as a follower of the Right Hon. Arthur Meighen on the Conservative side of the House, but simply as a citizen of the Dominion of Canada, I say that his retirement from public life has been a distinct loss to the public service of this country as well as to this parliament. The Right Hon. Mr. Meighen has been an outstanding figure in the public life of Canada since the year of 1908. He entered this parliament as a youth, as a young man at all events, and from that day until the time of his retirement few men have attained as high a standard or as great an accomplishment as he. First he entered the government of Sir Robert Borden as Solicitor General, afterwards filling several cabinet portfolios. Twice in that brief period he held the high office of Prime Minister of Canada, and for the last four or five years has been the recognized leader of the opposition. An able parliamentarian, one of the ablest Canada has ever produced; matchless in debate in this chamber; a keen observer, a wonderful thinker, a man of an accurate and precise mind, as accurate and precise as any who have ever been in this House, his loss is a tremendous one to this House and to the public life of this country. I believe that in our hearts we all feel that it would be a good thing for Canada and for this House if his present retirement from public life is not too long continued.

My reference to the last general election brings me to another consideration. I know it is frequently said that after a general election it is the privilege of a defeated opposi-

tion to abstract what consolation they may from the fact that while numerically in the minority in the chamber, they were in an actual majority in the country. I am not bringing up that question now with the idea of taking any consolation from the figures, nor do I make any complaint whatever in regard to the result. My only object in mentioning the matter now is to draw to the attention of the House as forcibly as I can the condition which actually exists in Canada to-day in respect to the representation in this chamber and to show, by the quotation of a few figures, that public opinion as it exists among the people of this country is not fairly reflected in this House to-day. I made that statement publicly about three weeks ago. It evidently received some notice from the editor of the Winnipeg Free Press, who sent me a newspaper containing an editorial upon the subject. His cure-all for the present situation, of course, is the adoption in this country of a system of proportional representation. Another suggestion is that the single transferable vote would cure the difficulty which now exists. I am not a believer in the system of proportional representation; in any country where it has been tried I think the system has proved a failure. I have heard discussions upon the question; I have read books and pamphlets dealing with it, and I am not convinced that any satisfactory change would result from the adoption of that system in Canada. It leads to all sorts of pre-election combinations, many of which are not very meritorious; it leads to great uncertainty in results, and likewise to great instability in the elected chambers in countries where proportional representation is in force. For these reasons and others I do not support that proposal, but I do submit that something must be done to remedy the inequality existing in Canada to-day.

What is the situation? From the report of the Chief Electoral Officer I take some figures, and from them I find that in the Dominion of Canada, at the general election of last September, straight Conservative candidates throughout Canada polled 1,476,000 odd votes, while straight Liberal candidates throughout Canada polled 1,361,000 odd votes. The Conservative candidates throughout Canada polled approximately 115,000 more votes than did the Liberal candidates, yet in this House the Conservative candidates have 91 representatives, while the Liberal candidates have 115 or 116. Although there was a popular majority of 115,000 in our favour, there is a difference in the representation in this House of 24 or 25 seats, the minority having the largest representation. My friend who sent me the paper from Winnipeg remarked that the figures in western Canada are even more glaring. Straight Conservative candidates in the three prairie provinces polled 200,000 odd votes, and secured one representative in the person of the hon. member for West Calgary (Mr. Bennett). All other parties and all other combinations in the three prairie provinces polled 400,000 votes, in round figures, and secured 53 representatives. The disparity there is very glaring, and one must admit that public opinion as it exists in the three prairie provinces is not reflected in this chamber, although good democratic government insists that the will of the people be fairly represented. In the province of Quebec the figures show that 40 per cent of the electors voted for straight Conservative candidates, while our representation in this House amounts to six per cent. I know it can be urged on the other hand that if I take the figures for Nova Scotia and British Columbia, an inequality just as great will appear, but that is no answer to the charge I make. I maintain that this disparity should disappear, and it can be made to disappear if we adopt a reasonable system of representation by population. That is the principle upon which our forefathers acted when they established confederation. We have wandered far from that principle to-day, with the result that there are hon. members sitting on the government side of the House representing constituencies with a population of 80,000, and other hon. members sitting opposite representing rural constituencies containing less than 20,000 people. We have the same thing on this side of the House; a representative from the city of Toronto represents 60,000 odd people, while another from my own county of Wellington represents less than 20,000 people.

Why should there be a disparity as between the voter in urban and in rural districts? It should not exist; there is no reason for it to-day. Perhaps there was a reason in the early days, when means of communication were difficult in rural communities; when they had no telephones, no good roads, few railways, and slow mails, but that is all changed to-day. The average rural community now has means of communication equal to those of our urban centres. Therefore I say it is the duty of parliament to take notice of this situation. I believe it can be remedied and I believe it to be the duty of parliament to consider the situation with a view to finding that remedy.

In the speech from the throne the first mention is of the bounty of Providence, and we all agree that it is our duty to return thanks for the manner in which Providence has treated this country every year in our history. But in the next sentence we are asked to congratulate the government of the country upon the foreign trade of Canada during the past year. We on this side of the House are always willing to rejoice when there are signs of progress and prosperity in the country, and if the figures having to do with foreign trade reflect a real prosperity, we are prepared to tender our congratulations to the government. But one must really confess that governments have not a great deal to do with such matters. Do the figures as set forth by the Minister of Trade and Commerce only a few days ago demonstrate that we have made any real gain in regard to our foreign trade or the material condition of the people of Canada? What do they show? They show that our trade has grown to the enormous proportions of $1,291,000,000 of exports and $991,000,000 of imports. That is a tremendous total, we admit, and I am glad to say it shows that we have a trade balance in our favour of $300,000,000 odd as between our exports and imports.

Mr. ROBB: Hear, hear.

Mr. GUTHRIE: Does my hon. friend who says "hear, hear" realize how that favourable trade balance has been secured? Does he realize that in only one single instance have we any favourable trade balance, namely in respect of our trade with Great Britain? Our whole favourable trade balance is made up of our trade with a single country. Exclude all the figures of exports and imports in regard to Great Britain and you find that in respect of your trade with the other nations of the world you have, on the figures submitted by the Minister of Trade and Commerce, an adverse trade balance of $9,000,000.

If we could feel that those exports amounting to $1,291,000,000 represented the surplus products of this country after the Canadian market was satisfied, we would all join in congratulations as we would then all participate in the material prosperity which would accrue therefrom to this Dominion. But when we find that those exports do not represent the exportable surplus of our country, but that we have imported into this country to supply our own demands, $991,000,000 worth of goods, that does not leave very much in our favour, does it? To England we export our agricultural products. We export what is a recurring crop, something we have year by year in larger and larger quantities.

[Mr. Guthrie.]

But our export business with the United States is upon an entirely different basis. They will not take from us our annual recurring agricultural crops which year by year under the bounty of Providence we are able to reap. All they will take from us is the irreplaceable natural assets of this country. The United States are year by year draining us of our natural wealth. They are taking from us our lumber, unmanufactured and partially manufactured, our pulpwood, our pulp, our paper, our mineral assets, our asbestos, our nickel and the like. But they are not taking the products of our farms or our factories. The people of the United States have arranged their tariff on a basis to suit the people of the United States regardless of the people of any other country in the world. We have not done so. We have arranged our fiscal policy to throw our market largely open to the competition of every other country in the world, and the result to-day is that as regards our foreign trade, while we export more than $1,200,000,000 worth of the goods and products of this country, we have to replace them with the goods of foreign lands to the extent of $991,000,000, most of which goods could and should be produced in this Dominion.

I am going to call the attention of the House to one or two things that appeared on this trade return and I am glad that my hon. and genial friend the Minister of Agriculture (Mr. Motherwell) is in his place at the moment. I am free to say that there is no more genial, no more entertaining hon. gentleman in this House than the Minister of Agriculture to whom I desire to pay this tribute. I believe he is an agriculturist of very high standing. I believe he is what we know in this country as a scientific agriculturist, and I believe it would be for the benefit of the farmers and the people of Canada generally if my hon. friend would devote himself strictly to scientific agriculture and would leave common, plain matters of business and merchandise to men who seem to know more about it than he does.

I believe the Minister of Agriculture had a good deal to do with the negotiation of those well known trade agreements with Australia and New Zealand. I have heard him pronounce upon those in this chamber time and time again. I have heard him assure the people of Canada that the effect of those agreements would not be to bring the farm products of Australia and New Zealand into competition with the products of the dairy farmers of this country, but the reverse, and he could always demonstrate his position with figures. I ask him to look at the report which his colleague the Minister of Trade and Com-

merce has placed in the hands of the public within the last few days, and which consists of a detailed statement of the trade of this country for the last twelve months. If my hon. friend will turn to page 3 of the report, he will find that in the last twelve months we brought into Canada 8,000,000 pounds of butter. Last year when someone made a statement of that kind, my hon. friend said: What is that? That is a mere bagatelle. Look at what we export. How much did we export during the last twelve months? We exported just 9,142,000 pounds of butter. Eight million pounds of Australian butter displaced in the Canadian market 8,000,000 pounds of Canadian butter and forced the dairy farmers of Canada to send their butter across to the markets of Europe.

Which is the best market for our produce? I ask a candid question. Will anyone answer? Is it here in Canada or in Europe? The home market is certainly our best market, our readiest and cheapest market. It saves us transportation, insurance, cost of commission on this side and across the water. Why not let the Canadian dairy farmer have the full benefit of his home market in respect of that commodity? I have no doubt my hon. friend will hear from the dairy associations in respect of this situation. I have had communications, not from the associations, but from individual dairy men. I know they are feeling the effect of that importation very seriously, and to me it appears to be a sort of trade outrage that we should allow Australia and New Zealand to ship 8,000,000 pounds of butter into this country, while our farmers are forced to export their butter to Great Britain in order to equalize the situation. Why not allow the Canadian farmer to supply our home demand with 8,000,000 pounds of Canadian butter and then we would have a surplus of only 1,000,000 pounds odd which we could send abroad. Would not that be good business? Is that not sound economics? Does that not appeal to the Minister of Agriculture as a pretty fair business arrangement? If it does not, let him consult his colleague in the government who sits behind him and I know he will commend the justice and wisdom of what I say to him. As I said before my hon. friend should keep entirely out of business transactions. He should let some other branch of the government attend to the business end. Let him confine himself to scientific agriculture and research, and I have no doubt we shall have grand results in the Dominion of Canada.

About a year ago we know that my hon. friend drifted into another business venture in regard to horses. I am bringing this matter to the attention of the House only to show the business capacity of the hon. gentleman, not to attack his professional standing, not to insinuate that he is not one of the high class farmers of the Dominion of Canada. But he undertook to tell the farmers of western Canada that he would find them a market in Europe for their horses. The horse market is not as good to-day as it used to be. The automobile, I suppose, has affected the horse market. Within the last twelve or fifteen months the Minister of Agriculture thought that he would develop that trade himself, and he employed someone to go out and purchase horses throughout western Canada. He purchased 84 of them and sent them abroad. He had them sold in the European market—those of them that were fit to sell—and the total outlay of the government of Canada on that enterprise was apparently $28,175.39. When the horses were sold they yielded the handsome return of $7,261, making a net loss of about $21,000 to whom? To the minister? No; to the treasury of Canada; to the taxpayers of the Dominion of Canada, and this is one of the outstanding business experiments of the Minister of Agriculture. Now if he has similar knowledge in regard to the butter trade, I do not see any reason why the butter trade should not also end in disaster. The truth is, Mr. Speaker, that his department should not mix up in business matters of any kind, because when it does, the treasury of this Dominion, or the people of Canada, always seem to get the worst of the transaction.

There is another thing in connection with the trade of Canada to which I would like to draw the attention of my hon. friend the Minister of Trade and Commerce. I recognize in the Minister of Trade and Commerce one of the outstanding business men of the province of Ontario. He is still a comparatively young man. He has had an active business experience. He is the proprietor of one of those large industries in the province of Ontario of which the people of this province are proud, and he has made a success of his business. He is one of the largest furniture manufacturers in the province of Ontario. I know that he has keen business capacity, and I am going to ask him to look over his own trade returns and see if he cannot find some way of curing the situation that has arisen through the operations of the King administration during the last four or five years in regard to treaty making. I charge that in every instance in which the King government has made a trade agreement or arrangement with another country, Canada has got the

worst of the deal. I ask my hon. friend the Minister of Trade and Commerce to cast his eye over his own returns, over the first public document that he has issued to the people of Canada. On the front page it says, "Issued under the authority of the Hon. James Malcolm, M.P." I ask him to cast his eye over his own trade returns and see if he does not agree with me in the statement I made, that in every single trade agreement the King government has negotiated, Canada has got the worst of the arrangement.

Take the results of the trade treaty negotiated with France, as set out on page 2 of the trade returns. In the first year of the operation of that treaty, we exported to France $15,817,000 worth of goods. In the last twelve months our exports fell to $14,071,000. We were promised a great export business with France as a result of that treaty. We were to be given most favoured treatment by France, but our trade with France, instead of increasing, has gone back in three years by over one million dollars in spite of all our efforts. We opened our markets to France, but their exports to us have not gone back. During the first year of that treaty they exported to Canada $17,682,000 worth of goods, and that $17,000,000 odd has grown in the last twelve months to $21,787,000. Our exports to France have decreased, while our imports from France have materially increased.

Take the treaty with Italy. During the first year of the operation of the Italian treaty, our exports to Italy amounted to $17,215,000 worth of goods. In the last twelve months they fell back to $15,911,000, a drop of $2,000,000 in our exports to Italy since the treaty came into operation. But Italy has taken advantage of our market and of the favourable terms which we granted, because while in the first year of the treaty she sold us only $1,800,000 worth of goods, last year the figures had grown to $3,124,000. What is the result? Our exports to Italy, under the operation of the treaty, have fallen off, while their exports to us, our imports of Italian products, have largely increased.

Let us take the Australian trade agreement, which is also mentioned on page 2 of the trade returns. In the year before that treaty went into operation, in 1924, we sold to Australia $14,482,000 worth of goods. Last year our sales had increased to $17,848,000, an increase of about 25 per cent. How about our imports? Before the Australian treaty went into effect we imported from Australia $1,183,000 worth of goods. Our imports have risen now to $4,339,000 worth of goods or an increase in our imports of 400 per cent, while the increase in our exports to Australia amounts to about 25 per cent. It is from Australia and New Zealand that the butter comes, and they have increased their trade to Canada materially, while we have had only a very, very negligible increase in our exports to Australia; and so it is with New Zealand. Before the treaty, New Zealand sent to Canada $1,560,000 worth of goods. Last year the figures jumped to $3,856,000, an increase of 260 per cent in the shipment of their agricultural products into this country. Our exports to New Zealand before the treaty were $13,676,000. Last year these had grown to $15,897,000, or an increase of about 20 per cent. The trade is all going one way as between Canada and Australia and New Zealand. They are taking advantage of our open market and filling this country with Australian and New Zealand farm products, while we, who are getting some slight advantage in their market, are increasing to a minor extent only our sales of paper, pulp products and the like.

Now, how can we justify such a situation? My hon. friend the Minister of Trade and Commerce has always been considered in the province of Ontario an outstanding supporter of protection. He is now sitting side by side in the cabinet with my hon. friend the Minister of Immigration (Mr. Forke), an outstanding disciple of the policy of free trade. Together they sit at the cabinet council, cheek by jowl, sworn to bear confidence and respect for each other, sworn to stand and act together, to be responsible each for the actions of the other. There they sit side by side, an out-and-out free trader and an out-and-out protectionist. I said a moment ago that the Minister of Trade and Commerce was one of the most successful manufacturers of the province of Ontario, and I ask him why. His is one of the few industries in the province of Ontario that enjoys to-day, and always has enjoyed, 30 per cent protection. Now, Mr. Speaker, I do not for one moment say that his protection is too high. I go so far as to say that if, upon investigation it is shown that he is not sufficiently protected, he ought to be further protected. On looking at the trade returns, it would appear to me that he has at present sufficient protection for his industry, for out of the millions and millions of dollars worth of furniture used and consumed in this country each year, his own trade return shows that in the last twelve months only one and a half million dollars' worth of furniture was imported from all the world into Canada; so I assume from those figures that he has adequate and proper protection for his industry. Now does my hon. friend from Bran-

don (Mr. Forke) think that his colleague the Minister of Trade and Commerce is one of these robber barons we have heard pictured so often in this House? Can my hon. friend from Brandon honestly and consistently sit in that cabinet council and permit a manufacturer in this country to have a duty of 30 per cent on his production? I should like to hear the opinion of my hon. friend from Rosetown (Mr. Evans) on this subject. Between sessions of parliament I hear the word protection, protection, protection. It is ringing in my ears continually, and it always has a strong resemblance to the voice of the hon. member for Rosetown attached to it. What does that hon. member think of the present situation? His former leader is sitting now in the seats of the mighty, side by side with one of the outstanding protectionists of this country. All I can say to my hon. friend the Minister of Trade and Commerce is that I agree that his industry is properly protected. I only ask him to be generous enough and kind enough to extend similar protection to other industries I could name in this country.

Mr. MALCOLM: Will the hon. member give an illustration to show where the protection on furniture is higher than the protection on woollen goods?

Mr. GUTHRIE: I did not say the protection on furniture was too high. I do not wish to be misunderstood. I said if it was not high enough I would make it higher. I say give to the woollen man the same 30 per cent.

Mr. MALCOLM: Let me say—

Mr. GUTHRIE: I respectfully ask the minister not to interrupt me. I only ask him to be as generous and as fair to other industries as the government has been to him. Furniture manufacture is one of the special lines which should succeed in Canada. We have here the raw material in very large quantities. Canada is the cheapest country in the world, perhaps, in respect to such raw material, but it has been considered, not by this government alone but by its predecessors, by the Laurier-Fielding government, that 30 per cent was reasonable protection in regard to furniture, and formerly it was so considered in regard to woollens by the government of this country. They maintained a duty upon woollens at 30 per cent net. Will my hon. friend the Minister of Trade and Commerce now be just as fair to the textile men, the woollen men, the cotton men and the linen men, as the government has always been to his particular business?

Mr. MALCOLM: There is no change.

Mr. GUTHRIE: No change in the furniture tariff—no, it has been consistently maintained, and one reason it has been maintained in recent years is that the furniture manufacturers have had a loyal supporter on the government side. Now I do not want to be interrupted. I want to express my view. I am sorry that a habit of interrupting has grown up in this chamber which is not at all times creditable to it. Interruption has become almost a parliamentary practice in recent years. I can remember when it was never permitted in this House. I do not wish to be discourteous to my hon. friend in any way, but I do not want to be disconcerted in my remarks.

I wish to refer to another matter in regard to the trade question, and I am glad the Minister of Finance (Mr. Robb) is in his seat. If there is a hindrance in Canada to-day to the increase of legitimate trade in this country, in addition to the hindrance that attaches to the operation of a mistaken fiscal policy, if there is a burden on Canadian trade to-day which is bearing more heavily than any other, it is the sales tax, and I want the Minister of Finance to understand that we on this side of the House are willing to co-operate with him and to assist him in every way in our power to remove from industry in this country this heavy imposition for which the King government is very largely responsible. As a war measure the Conservative government imposed a sales tax of three per cent in the aggregate—one and a half per cent on the jobber and one and a half on the manufacturer. That was for war purposes. It was a heavy tax, and we thought it was a maximum. When Mr. Fielding became Finance Minister he raised the tax to four and a half per cent, and the next year he raised it to six per cent. Then he found that the tax was so high that it was actually stopping business in the country, and he reduced it to five per cent, and there it stands to-day. The business men throughout Canada say that, next to an insufficient tariff, the greatest imposition and the worst injustice from which they suffer is this five per cent sales tax which has been imposed upon them by the King government. The figures in the public accounts furnished to this House a day or two ago, for the year ending March 31, 1926, disclose that in the last year of the Meighen government, under the operation of the sales tax, an amount of $73,000,000 was collected from the people, while for the year ending March 31 last this tax amounted to $98,000,000.

Mr. ROBB: Because there was more business.

Mr. GUTHRIE: And also because there was a higher tax. I will be fair enough to say that the item I have given also includes the amount received from a two cent stamp tax which was required upon every cheque. The King government increased that stamp tax to a maximum of $1 per cheque, on cheques of large amounts. The sales and stamp taxes combined produced $98,000,000, and this forms a heavy burden which must be borne by industry in the Dominion of Canada. How are we going to get relief from this oppressive taxation? The method I propose is boldly to strike out and do away with the sales tax.

We will assist the Minister of Finance in that work. We will also assist him in another work, namely, in keeping down the expenditure of the public money of this country. I have reason to know that since the month of July, with public affairs carried on by means of government warrants, a tremendous saving has been effected. When the government had a full treasury, and no restriction on their expenditure, they generally managed to spend all the money that came in and then borrowed a little more. After the month of July it was impossible to spend money in that way. Every dollar that was spent had to be procured in the first place by a warrant from His Excellency the Governor General, and it had to be shown that the expenditure was immediate and necessary expenditure. Now what was the result? The result was that when, after the short interregnum, the Meighen government quit office we were able out of the revenues of the country to pay $30,000,000 of maturing loans to the United States without borrowing another dollar. If we can do that in a few months operation, under a system of governor general's warrants, why not adopt the same system when we are not availing ourselves of the governor general's warrants? There is an urgent demand throughout the length and breadth of Canada that our expenditure be cut down.

Mr. ROBB: Hear, hear.

Mr. GUTHRIE: There is a demand throughout the length and breadth of Canada that the national debt be materially reduced. I think the public of Canada were rather shocked within the last few days to learn that the net debt on November 30 last was still at the enormous total of $2,344,436,755. When are we going to start paying off the debt? Do you know, Sir, that back in 1921 the national debt was only $2,340,000,000 odd? Now I know it is always asked by government supporters, "What about the next year?" Because the financial year ends on March 31. I will take the next year; the debt was then $2,422,000,000 odd, as there had been added to it during that year $80,000,000 of railway deficits, shown in the public accounts. At present the government do not add railway deficits to the national debt. They go out and borrow the money on the strength of railway securities which Canada endorses and guarantees. In former days we put our hand in the treasury, took out the money, paid the railway deficit and charged it to the public debt.

We have now had five years of financing by the King government, since 1921, and we have been told on the public platform of tremendous reductions made to the national debt by this government; but according to the statement issued by the Finance department last week there has been no reduction whatever, and as between the debt of November 30 last and that of 1921 there has been a positive increase of $4,000,000. I repeat, there is a demand throughout the Dominion that that debt be reduced. It will be reduced in only one way—by the practice in this House from now on of the strictest economy. When I state that we on this side of the House are willing to co-operate in every way to achieve that end, I am making a serious statement whereby this opposition intend to abide. We will give my hon. friend the Minister of Finance every opportunity to economize. Whether he will accept our assistance or not will be seen as the session develops.

Let me take another item in the Speech from the Throne. My hon. friend the Minister of Immigration (Mr. Forke) has disappeared; I am sorry for that, but I must go on nevertheless. He has been selected as the Minister of Immigration in the new government. I think we can say with all sincerity that if there is one department of the government to which we all wish success it is to the Department of Immigration. From one end of Canada to the other, in the speeches of the mover and seconder to-day, in the speeches of our great employers, in the speeches of the minister himself, but one opinion is expressed: Canada must have a large new immigration if she is to succeed. We wish him well in his efforts, and we will help him all we can. It is said that the figures of immigration for last year show some improvement. We hope they do. We trust that on examination we will find that the figures published are justified, that the people who have been entered as Canadian immigrants have remained here. There is no particular branch of the government which is

responsible for the difficult situation that now exists in regard to emigration. One of our greatest difficulties is emigration. One cannot properly blame the Department of Immigration for the exodus that is still going on from the Dominion. That exodus, I fear, is still proceeding just as rapidly as it has for the last four or five years. I am told that every American consulate from one end of Canada to the other is so crowded with applicants for permission to cross to the United States that the staffs cannot handle the work. I know the situation in the city where I happen to live, and I know that there is a continual stream of good Canadians crossing over to the United States because they cannot find employment in the Dominion. But what I wish particularly to call to the attention of my hon. friend the Minister of Immigration and of my hon. friend the Minister of Railways (Mr. Dunning) too, is this, and I think they will agree with me, that even from the western provinces there is a stream of agriculturists going to the United States to-day.

Mr. DUNNING: No, no.

Mr. GUTHRIE: He says no. Well, my information on the subject is from the Regina Leader, published on October 30 last, and it gives these particulars:

"I am unable to give you exact figures, but I should say there are about three thousand applications under the different quotas," was the reply of Mr. E. E. Herbert, Vice Consul for the United States in Regina, Wednesday, when asked for information about Canadians or others desiring to go to the United States.

An hon. MEMBER: Or others.

Mr. GUTHRIE: I am coming to that.

Large increases are noted in the number of applications made daily at the American consulate. In fact Mr. Herbert says it is over double the figures of last year.

Somebody is misstating the case, either the Minister of Railways or the Minister of Agriculture is wrong or the Regina Leader is wrong, or Mr. Herbert is wrong.

Some days it will quadruple the figures of previous years, but daily there is an increase, and the staff is kept busy preparing papers and vises. Another interesting phase of the records is that a large percentage of outgoing people have large families. As late as Tuesday a family of father and mother and ten children left Regina for the south for permanent residence.

Mr. FORKE: May I inform my hon. friend that there has been considerable prosperity in the west during the last year or so and most of the people going south are going there for the winter.

Mr. GUTHRIE: That is a very ingenious explanation on the part of my hon. friend, but I regret to say it is not a very honest one. He knows just as well as I do that the article published in the government paper, the Regina Leader, was meant to convey the truth, to convey the information that very, very large numbers of people in the west were leaving Canada permanently for the United States. It is not only so in Regina, unfortunately that condition prevails all through the provinces. I am not blaming the Department of Immigration. The hon. minister was out when I said so. His duty is to bring people into Canada, but it is the duty of every department of this government, it is the duty of the whole government to see that this exodus is stopped.

Another question that has created a good deal of speculation and interest on this side of the House is the question of the Duncan report in regard to maritime rights. The report is long and somewhat involved, and I do not pretend that in the time at my disposal I have been able to read it other than casually. However, I have this to say in respect to it, it is a step in advance of anything which we have had from the King government during the last five years. From 1921 down to last spring there was an incessant demand from the people of the maritime provinces for a remedy of alleged grievances. I do not think my right hon. friend the Prime Minister ever realized until last session what the grievances actually were. I know he is reported as having made a speech a year ago in the Maritime provinces in which he declared: What are maritime rights, anyway? Well, if he did not know then, I think he has a very fair idea now respecting maritime rights. I point out likewise, Mr. Speaker, that for four long years the King government sat in this House with a solid delegation of supporters from the province of Nova Scotia, a solid delegation from Prince Edward Island, a substantial delegation from the province of New Brunswick. Day in and day out this matter was brought to the attention of the government and never was any action taken during the course of that whole four years. The government turned a deaf ear to all demands. Not until the people of the maritime provinces decided in the general election of 1925 to elect Conservatives did the King government waken up to the situation. Last spring when a Conservative delegation from these provinces sitting on this side of the House brought the matter to the attention of the government in such a forcible manner that it could not further remain dormant, it decided that some action had to be taken to meet the situation,

then and not till then did the Prime Minister and his government decide that immediate inquiry must be made and something definite done. I do not know whether the Duncan report as presented to the House meets with the approval of the people in the Maritime provinces; I do not know what action my right hon. friend and his government contemplate in regard to that report. But I know this, that if any proper action is taken, if any satisfaction is given to the maritime provinces as a result of the Duncan report the credit for anything done will be due to hon. gentlemen sitting on this side of the House who carried on the campaign in this paliament last year.

Mr. MOTHERWELL: Oh, oh!

Mr. GUTHRIE: The Minister of Agriculture laughs. I am now discussing business matters and I am sure he does not understand them. I do not think that he has ever given a moment's thought to maritime rights during his whole five years in office, unless he also was rudely awakened by the debates in this chamber last spring. The case for maritime rights as presented in this House by Conservative members last session has seldom if ever been equalled in parliament. I would ask my right hon. friend (Mr. Mackenzie King) this question: Would he be good enough in his remarks to-day, for instance, to give some indication of what his government proposes to do in respect of this matter? In the speech from the throne it is merely stated that the government intends to take the subject into its consideration and that certain legislation in respect thereto will be introduced. This is a matter of the greatest interest to hon. gentlemen from the maritime provinces, and if the Prime Minister would go so far as to indicate just in what way government action is intended I am sure the information would be gratefully received on this side of the House.

And now I desire before concluding my remarks to make some more or less extended observations upon another subject mentioned in the speech from the throne. I refer to the Imperial conference which has recently taken place in the ancient capital of the empire, the report of which conference was laid on the table of the House on Friday last. Apparently there are two opinions in Canada concerning the exact meaning and scope of the report which was issued by the committee of prime ministers which met and agreed upon it. There is one section of our people who are inclined to think that there is nothing really new or of great moment in any of the clauses or in any of the suggestions contained in the report; there is another view that the whole report is possibly the most momentous state document that has ever been tabled in the parliament of Canada. I believe that the people of Canada and probably the press at this moment lack the necessary information to enable them to reach a satisfactory conclusion in regard to this interesting document. Personally I view it as a matter of very great consequence, but in any opinion which I am disposed to offer to-day, I shall have to make reservations. I cannot offer at the present time anything in the nature of an unalterable opinion, for the reason that there are some aspects of the report which I do not yet profess to understand.

This Imperial conference evidently has been something in the nature of a constitutional conference. I had the opportunity last July or August of glancing over the agenda which indicated in a general way the subjects which were to be discussed, and from my recollection of what I saw in the agenda I may say that I had not the faintest idea that anything in the nature of a constitutional conference was contemplated. I think I am within the fact in saying that when my right hon. friend and his colleague, the Minister of Justice, left Canada to attend the conference, neither of them had the remotest idea that the chief subject for discussion at the conference would be the constitutional status of Great Britain and of the overseas dominions by a committee of prime ministers of the empire. Our ministers had no notice of it; they had no time for preparation; they had no time for consultation with the people of this country; they had no time to obtain any mandate from the people. They went to London to discuss the questions which appeared on the agenda and I have no doubt that the actual deliberations of the conference were perhaps as great a surprise to them as to the rest of the people of Canada.

There is a strong public opinion in Canada that when we venture to make constitutional changes, or even to propose them, the ground should be fairly well prepared in advance and some hard thinking should previously take place. There is the feeling that careful preparation is indispensable before we venture upon the dangerous subject of constitutional changes. Indeed, Canadian statesmen and others have gone so far as to suggest that if any constitutional conference were ever called it should follow the lines of the first constitutional conference held in

Canada by the fathers of confederation, which conference was arranged upon an entirely different basis from the one that took place in London recently. In the conference preceding confederation all the great political parties of Canada were represented. Look at that famous picture The Fathers of Confederation if you want assurance on this point. In that picture we see the outstanding figure of the late Sir John A. Macdonald together with one who probably was the next most important figure, the Honourable George Brown; while side by side we see Sir Charles Tupper and Sir Oliver Mowat. All sections of the four provinces at that time were represented, likewise all political parties. Long meetings were held, prolonged discussions took place; until finally our forefathers agreed upon what has proved a most satisfactory arrangement for Canada. Now there is in this country a strong body of public opinion which holds the view that constitutional conferences should be managed upon just such a basis and not otherwise. There should be full and careful preparation; there should be due notice; there should be ample consultation, with all sections of the people of Canada before any effort is made to institute radical constitutional changes. I do not believe that the people even of Great Britain contemplated any serious constitutional changes. In my opinion both statesmen and press of Great Britain agreed that constitutional government in the overseas dominions had for many years been a matter of evolutionary growth and that all that was necessary was to prepare a clear statement of the situation as it had actually existed for over a generation, a declaration of the actual status quo as it was to-day and as it had been for years. The statesmen and the press of Great Britain, in my opinion, felt assured that this would be fully satisfactory to all parties concerned.

There is no question that apart from our written constitution, which we know in this House as the British North America Act, there have been great constitutional changes in Canada. Our written constitution as contained in the British North America Act has been added to in very many instances by conventions, by customs and by practices which have grown to be a part of our constitution and which are just as strong as the letter of the statute. This constitutional growth must be regarded in considering the Canadian constitution as it exists to-day. Anyone who so desires may examine the reports of the various constitutional conferences which have been held in the past and trace through them the gradual growth and development of the Canadian constitution as we have it to-day, both in relation to the government of this country and also in regard to our position in the British Empire in general.

The first of these conferences was held in London in 1888, but it was not a conference as we understand the term to-day. It was a meeting summoned by the Colonial Office of Great Britain to discuss certain matters pertaining to the empire, chiefly matters of defence. No minister of this government attended that conference, and no material result came from it. The next conference was called by the government of this country. It was held at Ottawa; it was attended by representatives of Australia, as then constituted; of New Zealand, and of Cape Colony—there was no confederation of South Africa at that time—and of the Dominion of Canada, while the British government sent out Lord Jersey to watch the proceedings on behalf of Great Britain and the Colonial Office. That conference met in Ottawa in 1894 for the purpose of conferring—because that is the real meaning of the word conference,—and I suppose for the purpose of consulting and advising also. It had no other rights, no other duties and no other authority. The conference did pass a number of resolutions, chiefly in regard to trade matters, and on the whole performed a very useful work, but it did not attempt to elaborate any problems of government either in Canada or outside of Canada.

The next conference was called in 1897, the jubilee year of Her Majesty the late Queen Victoria. It was attended by Sir Wilfrid Laurier on behalf of Canada, and was the first real conference held in Great Britain. It is true that it was not such a conference as we have to-day; it was not attended by the government of Great Britain, but by the Colonial Secretary and by the prime ministers of the self-governing dominions. In the report of that conference you will see that even so early as 1897 the self-governing rights of overseas dominions were fully recognized. Sir Wilfrid Laurier was most particular to emphasize this point in his statement to the conference, and all present accepted this position, as a matter upon which there could be no possible objection.

The next conference was held in 1902, the year of the coronation of His Majesty the late King Edward VII. Similarly, the proceedings of that conference disclosed that Sir Wilfrid Laurier was again most active in impressing this upon the conference, that it had no duty and no right to deal with constitu-

tional matters, that it could only confer and consult. I do not know that any very definite action was taken upon this occasion. The conference of 1907 was perhaps a more important event. Prior to the conference of 1907 there had been circulated among the overseas dominions a definite proposal looking to the establishment of an imperial council sitting at the capital of the empire, on which council there were to be representatives of all the overseas dominions. When the conference met in 1907, Sir Wilfrid Laurier again represented Canada, and he took objection at once to the term "Colonial Council", or "Imperial Council". He said the very word "council" implied more than he was at liberty to do. He did not object to a conference; he was quite willing to confer, to advise or to consult, but he would have nothing to do with a council or a cabinet, and his views were unanimously endorsed. He agreed, however, that a body might be formed to be known as an imperial conference, and a motion was carried in that year that in the future the conference should be called an Imperial conference instead of a Colonial conference and should be a conference not between the self-governing dominions and the Colonial Office but between the governments of the self-governing dominions and the British government, government with government, and the conference of 1911 was held in London under these conditions.

The conference of 1911 was an Imperial conference, the first conference of government with government, and at that conference certain very important matters were discussed, and some were settled. In the report of the conference of 1911 I think the most outstanding feature is the persistence and insistence with which all the representatives of the overseas dominions laid their case before the conference, claiming the fullest rights of self-government; full and absolute autonomy; the right to negotiate and make treaties; the right to do their own business without regard to anyone else, and that position was fully accepted by the conference. At that time, however, a further question arose which is well worth notice; matters of foreign policy were formally discussed in 1911 for the first time. Premier Hughes of Australia brought forward the question of the Declaration of London which, as you know, was the result of a treaty passed by the Peace Tribunal at the Hague, but which did not come into force until ratified by the various governments. Great Britain ratified the Declaration of London without consulting the overseas dominions, to the great annoyance of Australia and Premier Hughes brought that matter to the attention of the conference by way of a direct motion. Sir Edward Grey at that time represented Great Britain as Foreign Secretary, and the discussion which took place between Sir Edward Grey, Premier Hughes and others on that occasion is most illuminating. I do not know that I have time to read it all, but I am going to read just one or two remarks made by Sir Wilfrid Laurier, representing Canada. On that occasion he stated that for many years Canada had enjoyed full powers in regard to treaty making, but he pointed out that there were two kinds of treaties, commercial treaty and treaty of amity, or treaties which some day might involve questions of war or of peace. He argued that Canada had at all times maintained her right to negotiate and make her own treaties. It was true that the British ambassador at Washington and the British ambassador at Paris had been formal parties to the negotiations, but they had allowed Canada to conduct the actual negotiations, and the ambassador had only been called in when the question of ratification arose. But in regard to other treaties, those having regard to foreign policy, the following words will be found at page 116 of the reports of Imperial Conferences:

> Coming now to the other class of treaties, which I characterized as treaties of amity, it would seem to me that it would be fettering, in many instances, the home government—the imperial authorities—very seriously, if any of the outside dominions were to be consulted as to what they should do on a particular question. In many cases the nature of the treaty would be such that it would only interest one of the dominions. If it interested them all, the Imperial authorities would find themselves seriously embarrassed if they were to receive the advice of Australia in one way, the advice of New Zealand in another way, and the advice of Canada, perhaps, in a third way.

Then on page 117:

> This is a thing which, in my humble judgment, ought to be left altogether to the responsibility of the government of the United Kingdom, for this reason: This is a treaty which lays down certain rules of war as to in what manner war is to be carried on by the great powers of Europe. In my humble judgment if you undertake to be consulted and to lay down a wish that your advice should be pursued as to the manner in which the war is to be carried on, it implies, of necessity, that you should take part in that war. How are you to give advice and to insist upon the manner in which war is to be carried on, unless you are prepared to take the responsibility of going into the war?
>
> Mr. Fisher: Do not we do that in a manner by coming here?

That is Mr. Fisher of Australia.

> Sir Wilfrid Laurier: No, we come here to discuss certain questions; but there are ques-

tions which seem to me to be eminently in the domain of the United Kingdom. We may give advice if our advice is sought; but if your advice is sought, or if you tender it, I do not think the United Kingdom can undertake to carry out this advice unless you are prepared to back that advice with all your strength, and take part in the war and insist upon having the rules carried out according to the manner in which you think the war should be carried out. We have taken the position in Canada that we do not think we are bound to take part in every war, and that our fleet may not be called upon in all cases, and, therefore, for my part, I think it is better under such circumstances to leave the negotiations of these regulations as to the way in which the war is to be carried on to the chief partner of the family, the one who has to bear the burden in part on some occasions, and the whole burden on perhaps other occasions.

Such was the attitude taken by Canada's representative, and this attitude prevailed. And Sir Edward Grey, representing the Foreign Office, conceded in definite terms that, whenever possible, he in future would consult all the dominions in respect to matters of foreign policy and in respect to treaties before they were actually signed.

I pass on to another phase of the question. I need not read what was said; it is all in the report. As I said, nothing was more emphasized at the conference of 1911 than our absolute right of self-government. No one had the right to interfere with us. Our rights were clear, distinct and well understood. No further conference was held until the year 1917. A conference should have been held in 1915 but it was omitted owing to the outbreak of war. In 1917, however, there was held in London a conference known as a war conference, at which action was taken in a formal way on motion of Sir Robert Borden who represented Canada. This was the first suggestion of a constitutional conference, and I want to place it before the House. The motion moved by Sir Robert Borden before the conference of 1917 was in these words:

> The Imperial War Conference are of opinion that the readjustment of the constitutional relations of the component parts of the empire is too important and intricate a subject to be dealt with during the war, and that it should form the subject of a special imperial conference to be summoned as soon as possible after the cessation of hostilities.
>
> They deem it their duty, however, to place on record their view that any such readjustment, while thoroughly preserving all existing powers of self-government and complete control of domestic affairs, should be based upon a full recognition of the dominions as autonomous nations of an imperial commonwealth and of India as an important portion of the same, should recognize the right of the dominions and India to an adequate voice in foreign policy and in foreign relations, and should provide effective arrangements for continuous consultation in all important matters of common imperial concern.

And Sir Robert Borden, in discussing his motion, said that such a conference should be held only after consultation with the people and when representatives of all political parties were present. This resolution referred to a constitutional conference to be held in the future. In 1918 another war conference was held which resulted in the treaty of Peace. Our representatives attended at Paris; they became actual signatories to the treaty of Peace and also to the covenant of the League of Nations. They signed for the Dominion of Canada. Every other overseas dominion had its representatives there and those representatives signed on behalf of their own overseas dominion.

The next conference was that of 1921. There had been a good deal of change in the position of the overseas dominions since the 1917 conference; not only had we been recognized as free and equal nations, but we had actually signed the treaty of Peace, I suppose the most memorable treaty of modern or of ancient times. There we stood in Paris shoulder to shoulder with the other nations of the world and recognized as being on an equality with Great Britain and the other nations. Therefore when the conference met in London in 1921 a question immediately arose as to whether it was now necessary to call a constitutional conference pursuant to the resolution of 1917. The constitutional situation had greatly changed; our position had become definite and accepted. What was the need of a conference? In the report of the 1921 conference the following resolution appears at page 9:

> Continuous consultation, to which the Prime Ministers attach no less importance than the Imperial War Conference of 1917, can only be secured by a substantial improvement in the communications between the component parts of the empire. Having regard to the constitutional developments since 1917, no advantage is to be gained by holding a constitutional conference.

Such was the definite opinion of those who attended the conference of 1921. The position of each of the overseas dominions at that time was definite and ascertained. What more could be done by a constitutional conference? Let me read just one or two short extracts on the speech of Mr. Lloyd George, who was Prime Minister of Great Britain at the time. Mr. Lloyd George as reported on page 14 said:

> In recognition of their services and achievements in the war the British dominions have now been accepted fully into the comity of nations by the whole world. They are signatories to the treaty of Versailles and of all the other treaties of peace; they are members of

the assembly of the League of Nations, and their representatives have already attended meetings of the league; in other words they have achieved full national status, and they now stand beside the United Kingdom as equal partners in the dignities and the responsibilities of the British commonwealth. If there are any means by which that status can be rendered even clearer to their own communities and to the world at large we shall be glad to have them put forward at this conference.

The attitude of Premier Hughes of Australia at that time is rather interesting. Let me quote briefly from his remarks as reported at page 22. Premier Hughes of Australia, expressing the matter in his own blunt way, said:

I have nothing further to say on those matters to which you referred yesterday, but reference to one other point may be permitted. It is well that we should know each others' views. We ought not to discuss things in the dark. It has been suggested that a constitutional conference should be held next year. It may be that I am very dense, but I am totally at a loss to understand what it is that this constitutional conference proposes to do. Is it that the dominions are seeking new powers, or are desirous of using powers they already have, or is the conference to draw up a declaration of rights, to set down in black and white the relations between Great Britain and the dominions? What is this conference to do? What is the reason for calling it together? I know, of course, the resolution of the 1917 conference. But much water has run under the bridge since then. Surely this conference is not intended to limit the rights we now have. Yet what new right, what extension of power can it give us? What is there that we cannot do now?

There is a statement of the situation as it existed in 1921. It goes on:

What limitation is now imposed upon them? What can they not do, even to encompass their own destruction by sundering the bonds that bind them to the empire? In effect, we have all the rights of self-government enjoyed by independent nations. That being the position, what is the constitutional conference going to do?

Such was the position, Mr. Speaker, in 1921. This position has not been changed since and was not changed in any respect at the time my right hon. friend the Prime Minister went to London in October last.

Now in the summary report which has been issued of the recent conference, and which I propose to discuss for a few minutes, the first thing I note with great interest is this—and if I am wrong I want to be corrected; I want my right hon. friend the Prime Minister to set me right in his remarks upon this occasion, for I have no desire to be wrong myself in this important matter, nor have I any desire to mislead anybody else. I find there are certain definite statements in this report so plain and so exact that I think we can all understand them. Is there anything behind them which we do not understand? The report starts out with an introduction stating:

We were appointed at the meeting of the Imperial Conference on the 25th of October, 1926, to investigate all the questions on the agenda affecting inter-imperial relations. We found on examination that they involved consideration of fundamental principles affecting the relations of the various parts of the British Empire inter se, as well as the relations of each part to foreign countries.

I agree that they started out upon a very broad and general basis. They found that fundamental constitutional principles were involved. Who gave my right hon. friend the Prime Minister instructions from this country to discuss fundamental principles in our constitution? I do not ask that in any spirit of disrespect. He went to the conference, as was his clear duty, but I submit that he was not summoned there for the purpose of discussing fundamental constitutional principles, and he had no opportunity for preparation in that respect.

Now this is the pronouncement which the committee of Prime Ministers of the empire make, and they have placed it on page 9 of the report, in italics, to call attention to it, and to make it clear and definite. Speaking of the overseas dominions and of the mother country, they say:

They are autonomous communities within the British Empire, equal in status, in no way subordinate one to another in any aspect of their domestic or external affairs, though united by a common allegiance to the crown, and freely associated as members of the British commonwealth of nations.

This is clear and exact language. They are equal in status; they are in no way subordinate one to the other. The meaning of that language if I understand the English language is this: That Canada's status under this declaration is one of equality with Great Britain; the status as between Canada and the other overseas dominions is one of equality. There is absolutely no subordination on our part or upon their part; we are equal in every way so far as concerns all our domestic and all our external affairs. This is a broad and definite statement.

Lower down on page 9, as if to emphasize the position, there is another clear declaration upon the same subject:

Every self-governing member of the empire is now the master of its destiny. In fact, if not always in form, it is subject to no compulsion whatever.

I submit, Mr. Speaker, that the attention of all sections of Canada should be drawn to this declaration. It implies no limitations, no

conditions, no reservations. We are absolute masters in this Dominion of Canada in all our domestic and in all our external affairs. I ask my right hon. friend the Prime Minister (Mr. Mackenzie King) and the Minister of Justice (Mr. Lapointe) whether they fully considered the extent to which this declaration might ultimately lead us. This confederation was founded upon compromise. We have now absolute control in every domestic and external matter. Can we change the basis of confederation? Can we change the compromise upon which this confederation was founded? This country is largely made up, Mr. Speaker, of two distinct races; the two great races as recognized are the English-speaking Canadians and the French-speaking Canadians. Will a day ever come in this parliament when a government will say: We propose to abrogate some of the special features in our constitution which have been maintained ever since confederation? I submit that within the scope of the positive declarations a Canadian government might have absolute power to do so. I ask my right hon. friend the Prime Minister, if he has not already done so, to go to French Canada at the earliest opportunity and consult the leading members of the French bar in regard to the opinion which I now offer. My opinion may be wrong. My hope is that it may be wrong. My fear is that it may be right. I am going to put a case, and in order to make it impressive and expressive, let me put a very extreme case. Some time in the future some government in this country may arise and propose to abolish bilingualism in this parliament—a matter of purely domestic concern, with no external application whatever. We are the masters of our own destiny, according to document, and no power can interfere with us; we are subject to no compulsion. The British government cannot interfere. If they tried to do so we would say: No interference; the declaration affirms that we are not subordinate to you, so hands off Canada. Such might be our reply to Great Britain. Mr. Speaker, I have many times in this chamber admired the stand which you have taken upon Canadian constitutional questions. I have heard you argue with rare force and ability in favour of the rights of minorities. I have heard you demonstrate in this chamber that the great bulwark upon which you and your compatriots rest their rights and their security was to be found, if not in this parliament, in the British parliament and at the foot of the throne. Are these rights now to be jeopardized? Do you, Mr. Speaker, realize the language we have before us here? Do you realize that if a government should arise in Canada at some time in the future and in its madness or in its rashness, should propose to abolish our provincial legislatures, and adopt a system of legislative union—do you realize that under the language of this declaration they might possibly do so? It would be a matter pertaining purely to the domestic affairs of the Dominion of Canada. I submit that under the definite terms of this declaration a government, if so minded, might abolish every provincial legislature in the Dominion of Canada, and nobody could rebuke it; nobody could interfere with it; no compulsion could be employed to stop it.

I have heard it suggested, that the British government would veto such an act. Look at another clause in the report. The power of disallowance has now been done away with. The right to disallow a bill of the Canadian parliament has been in the statutes since confederation. It has only been exercised once, and that over half a century ago, but the Prime Minister and the Minister of Justice have brought back a report containing a clause providing that the right of disallowance no longer exists.

Now what is the situation? I submit that it is the most serious situation that has ever been laid before the parliament of Canada since confederation; it may have the effect of sweeping away those safeguards which the fathers of confederation placed in our constitutional act in 1867. I would not allow any part of the Dominion of Canada or any section of this Dominion to be exposed to attacks in these respects in the future. I would not allow the present protection to be taken away from minorities, as it might be taken away if this report were adopted in its present form by this House. Why was there not some limitation or reservation in regard to Canada?

I have turned this matter over in my mind many times since Saturday night, when I first read the report. I have thought it out as best I could. I thought it might be argued that if Canada should hereafter attempt to pass such an act as I have described by way of illustration, the British government might in some way interfere. Well, it might be possible to do serious mischief without an act. If we did it by resolution or by motion in this House no one could interfere and if we proceeded by act of parliament I doubt if there could be any interference. But suppose Great Britain should interfere, suppose Great Britain maintain it can interfere, what would Premier Hertzog say of such interference in South Africa? He would say, "If you can

interfere in Canada, you can interfere in South Africa, and that is not the meaning of the declaration made in London." If Great Britain can interfere in Canada it can interfere in Ireland, and what would the Irish Free State say? The truth is that the declaration of rights is so broad that it would permit us to do practically anything. The language of this declaration really brings into force the resolution moved by the hon. member for Winnipeg North Centre (Mr. Woodsworth) some time ago in this chamber, to provide that we in Canada should be allowed to enact anything we saw fit in regard to our constitution. I am not prepared to take that stand. I do not believe the people of Canada are prepared to take that position, and I submit it as broadly, as forcibly and as clearly as I can to the Prime Minister, that if we could only see the discussion that took place at the conference we would be in a much better position to form a safe conclusion. We have not the discussion before us yet. I presume we will have it in due time.

What attitude did the Prime Minister take in this matter? What attitude did the Minister of Justice take? He is a representative of one of the provinces which in my opinion might be specially affected if this report were adopted.

Mr. LAPOINTE: And a strong supporter of this report.

Mr. GUTHRIE: I would ask the Minister of Justice whether he has taken expert legal opinion in regard to the matter I am bringing to his attention.

Mr. LAPOINTE: There were many experts there.

Mr. GUTHRIE: Has he ever considered it from the standpoint of his own province or in regard to the rights of minorities in Canada?

Mr. LAPOINTE: My hon. friend need not worry about my province.

Mr. GUTHRIE: Is he willing to take the risk of the enactment into law of the proposal in the report?

Mr. LAPOINTE: Surely.

Mr. GUTHRIE: Perhaps in a few days the minister may hear from Quebec and the report may yet have to be amended. I would not be prepared to open the door as widely as it is proposed to open it in this report. I would put in limitations and restrictions to safeguard effectually the special interests and privileges of the people of this country who may be adversely affected hereafter if this report be approved in the present form.

[Mr. Guthrie.]

I desire to refer to another phase of the matter. I admit there are some things I do not fully understand at the present time. With reference to this equality of status which is now proclaimed—the proclamation that one shall not be subordinate to the other—how can you reconcile that with the actual position of affairs in the British Empire? Great Britain is the predominant partner. She is the partner that has the power behind her. She must always be the predominant partner. Let me put another pointed instance, an extreme case. We are not of equal status and we cannot be, I submit, Mr. Speaker, under this arrangement. Let Canada tonight declare war against some foreign country; do you think such a declaration by Canada would be treated as more than a nullity? It would be looked on as an international joke. I go further. Let Canada send an armed force to invade a foreign country, would our act be treated as an act of war? I submit not. It would be treated as a criminal act, a filabustering expedition, for which our people would be punished and we would have to pay damages. I go further still: Let our naval force in a moment of anger seize or destroy the commerce of another nation upon the high seas; would that be an act of war or be treated as such? It would be treated as an act of piracy. But let Great Britain do the same thing, and how would it be treated? Circumstances might arise in some remote corner of the world where it might become necessary for the government of Great Britain to act upon the moment, as has happened before. The rights of British subjects or their property might be in jeopardy, and she might have to act instantly. Her declaration of war would involve this country as a belligerent, the moment Great Britain made the declaration. We might repudiate the war; we might say, "We will not go into it and will in no way participate," but the moment the declaration was made our shores would be subject to attack, and our commerce would be liable to be seized or sunk, and our citizens treated as alien enemies through no act of our own. Under such circumstances can it be said we are of equal status? To state such a thing makes it appear almost ridiculous. We are not of equal status. Sir Wilfrid Laurier always recognized that. He maintained that we could not be of equal status unless we agreed to share some of the burdens and assume some of the responsibility.

What was done, may I ask, in regard to burdens and responsibilities at the conference? This question has also occupied our attention previously. What was the attitude of the Prime Minister in regard to the burdens

and responsibilities? I suppose in due time we will know what he said in respect to that matter, but I would like if to-night or at some convenient time he would give us a definite statement in this respect. I know the conference did not deal with the question of empire defence. They simply remitted it and left it where it was before. They took a lot of time discussing moving picture films and double taxation,—very important matters in themselves—but when it came to the great and important question of empire defence, they merely remit the matter back to where it was in the conference of 1923, and the conference of 1923 merely provided for an exchange of offices as between the Dominions and Great Britain and the establishment of an imperial college for the military training of officers in London. What about the burdens? What about the responsibilities? Did our ministers offer to undertake any? Are we willing to undertake any? Was our case in this respect properly put before the imperial authorities? These are matters distinctly within our control.

Another matter I would like information upon, Mr. Speaker, is the question of the change in status of His Excellency the Governor General. Under the British North America Act, section 10, our Governor General represents the queen. By the Interpretation act those words to-day mean the king. Now under the provisions of this report His Excellency the Governor General shall in future represent the crown. This report I understand was drawn by very expert draftsmen. No doubt there is a good reason for the selection of every word that appears in it. I should like my right hon. friend to tell me whether there is anything significant in the wording here. Constitutional writers attach different meanings to the words "king" and "crown". Looking at the publication known as The Round Table for this month I see a writer in that magazine says the crown means in this case the Canadian Prime Minister. Would the Governor General as representing the crown be subject to the will of the Canadian Prime Minister? I do not refer particularly to the present time but to the future, for all time—whom does he represent? What is the meaning of the word "crown"? Why was it used instead of the word "king"? If there was no reason for the change, if my hon. friend will assure the House that the words are synonomous, I have no further questions to ask in regard to that point.

In regard to the appointment of the Governor General, I have always understood—perhaps I am wrong—that in no case was the Governor General appointed to the Dominion of Canada without consultation with the government of Canada, and that in all cases the government of Canada expressed its acquiescence before the appointment was made. I have also heard that in some instances names have been submitted by the government of Canada and have been acceded to by the government of Great Britain. Is there any change contemplated in the future? In the future will the Governor General be nominated upon the recommendation of the Canadian Prime Minister, or will he not? I should like to know what is in contemplation in that regard, as I cannot find it in the report. Would the Canadian Prime Minister be entitled to nominate a Canadian to the position of governor general? The report affirms that we have a right to do everything in respect to our own domestic and external affairs. Does it go so far as to give us the right to nominate a Canadian as governor general? There is nothing in the report to give us any definite information on the subject one way or the other.

There are a great many other matters upon which I should like some light before I come to any definite conclusion in regard to them. But this I am going to say, that the course pursued by my right hon. friend during the months of July, August, and September last gave the people of Great Britain an entirely false idea of the actual situation in this Dominion. My right hon. friend in July, August, and September last paraded this country from platform to platform raising grave constitutional questions, indulging in a great deal of vain constitutional babbling, making covert threats that if certain things were not done certain other things might happen.

Mr. MACKENZIE KING: Will my hon. friend tell us what one of those threats was?

Mr. GUTHRIE: That we were being ruled by Downing street.

Mr. MACKENZIE KING: I never made such a statement. I challenge my hon. friend to find a statement of that kind anywhere. I made the very opposite statement.

An hon. MEMBER: Take it back.

Mr. GUTHRIE: If my right hon. friend says he did not—

Mr. MACKENZIE KING: I say positively I did not, and I challenge my hon. friend to produce any such statement from any paper.

Mr. GUTHRIE: I heard him make in this House during the closing days of last session

statements, the only result of which would be to lead people in Great Britain to suppose there was something rankling in the minds of the people of the Dominion, that we were suffering from some grave imagined injustice. I have heard speakers on the Liberal platform and I have read speeches made by Liberals during the recent election, complaining of the grave injustice which was being done to Canada, alleging that the heel of the British government was still on the neck of the people of Canada, and that we had been relegated to the position of a crown colony. These statements all had their effect in Great Britain, they had their effect upon public men there, they had their effect upon the leading newspapers of Great Britain, and the people of Great Britain imagined last September that there was something seriously wrong in the situation in this country. After the election the applause given to my right hon. friend in the republican press of the United States added fuel to the flame and caused more uneasiness and uncertainty in Great Britain.

We were all gratified that when the Prime Minister left Canada he made a very reassuring statement at the old city of Quebec. I am taking that statement from the Canadian Press correspondent's report, and I trust it is correct. This language does my right hon. friend entire credit:

Again referring to the conference, he said: "We are in the happy position of having no grievance of any kind."—

Mr. MACKENZIE KING: Hear, hear.

Mr. GUTHRIE:

"The relations between this Dominion and the mother country are all that could be wished for. Mr. Lapointe and I feel that our one aim and purpose should be to represent Canada as a full, self-governing nation—one of that commonwealth we speak of as the British Empire, all united under one king, one flag and one ideal."

Very excellent sentiments to take from Canada to Great Britain. Did you notice Mr. Speaker, that when the right hon. gentleman arrived in Great Britain he was immediately bombarded by reporters with the question, "What about annexation?"

Mr. LAPOINTE: Tory propaganda.

Mr. GUTHRIE: My hon. friend has had his interruption and he has his laugh. I will tell you why the question was directed to the right hon. gentleman: Because the American press had come out as his champions and loudly acclaimed his success in the election. Why was it that immediately on his arrival he was challenged as to his views on revolutionary action? Who started that?

Mr. DUNNING: The Tories.

Mr. LAPOINTE: Tory slander.

Mr. SPEAKER: Order.

Mr. GUTHRIE: My right hon. friend started it himself, and he is himself responsible for the false impression that existed in Great Britain. On the one hand, they had a false impression in regard to Canada; on the other hand, they had serious misgivings as to the situation in South Africa, but it turned out that these misgivings were largely unfounded. The Prime Minister of South Africa took very high, very radical ground in regard to the position of South Africa. He had moved in the legislature of his country that the Dominion of South Africa should have the right to declare her neutrality, and that her neutrality should be recognized internationally. That, in brief, is the ground which he took. Do you wonder that the British press was considerably alarmed, do you wonder that the public men of England were considerably alarmed by the Prime Minister of Canada raising what actually was a smoke screen to prevent criticism of himself and his government in regard to the customs scandal? But they knew nothing of that in Great Britain; they thought they had a serious question in Canada to deal with and another serious question in South Africa, and they resolved to accede to every request that should be made. Certain it is that they did all in their power to arrange any difficulties. However I am glad to say that on his arrival in Great Britain in his first interview with press correspondents we find him presenting a message of goodwill. We find also that he had no complaints to offer, that he did not mean revolution, that he was content with evolution, as is stated in the press reports.

We are glad that it worked out in this way, and we are glad, for the sake of South Africa, that a common working basis was found by the conference. But I say again, Mr. Speaker, in closing, that never in the history of this parliament from confederation down to the present moment has so serious a problem been laid before us. My hon. friend the Minister of Justice (Mr. Lapointe) is inclined to laugh at my pronouncement on the subject to-day. I predict that he will not vote this report through the House of Commons in its present form and without amendment. I venture to say he dare not do so. It will have to be changed, it will have to be limited; otherwise

at some future day it may spell disaster to this country. I say to my right hon. friend and to his government that they will have to forgive my imperfections as leader of the great party which sits on this side of the House. We desire to approach this question in a non-partisan spirit, if ever a question was so approached in this chamber; we want to arrange this matter solely in the interests of the Dominion of Canada. I state this notwithstanding the smiles and the jibes of some members who sit on the other side of this House. If we cannot secure serious consideration of this great and important question it will be a shame and a disgrace. We ask for it, and we are willing to co-operate in the programme of the session to the fullest of our ability. We demand our rights, of course, we expect to exercise our full rights, but if ever there was a question in which co-operation should be the basis of parliamentary debate in this House, that question is the report of the conference which has just been laid before the House.

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Before I reply to the remarks of my hon. friend (Mr. Guthrie), may I, on my own behalf as well as on behalf of those sitting with me on this side of the House, extend to him our hearty congratulations upon his having been chosen for the high position which he now holds and which by natural endowments and long parliamentary experience he is so admirably qualified to fill. When I read in the press despatches that my hon. friend had been selected as leader of the opposition and of the party to which he now belongs, I confess recalling his old and long associations with the Liberal party of Canada, I felt that the compliment was perhaps greater to the party to which I belong than to hon. gentlemen opposite and the party to which they belong. My hon. friend will, I am sure, be the first to concede that what he inherits in the way of great natural endowments comes to him of Liberal parentage of which he may well be proud, and I have no doubt he will also remember with considerable pride his long association with the Right Hon. Sir Wilfrid Laurier, of whom he was a trusted follower almost to the very end of his career. May I say that I think my hon. friend, in accepting the position as a temporary one, owing to the exigencies of his party and under circumstances which necessarily must be more or less embarrassing, did so from very public spirited motives, and in view of that fact he is as much entitled to the thanks of the House as he is to the thanks of his own party.

My hon. friend this afternoon in the course of his remarks, on being interrupted, drew attention to the fact that in this House in the last session or two discussion had not always been carried on with as great a regard for decorum as might have been wished. Let me say at once that while I cannot hope that we shall be in agreement over matters of party controversy I shall be indeed happy to join with him, if he will be prepared to join with me, in doing all that can be done to preserve a right tone in debate in this House and, with your aid, Mr. Speaker, to keep it on as high a level as possible. I do believe that in the last few years there has been much more acrimony in debate, very much more in the way of personal bitterness and feeling, than has been necessary. Just to what cause that may have been due it is not for me to say at the moment. In one sense of the word, I think it is true to say that ever since September, 1925, we have been engaged more or less in a continuous campaign. We had the campaign in the country in the fall of 1925 and it was carried from the constituencies into parliament; and during the last session this House partook, for the most part, much more of the nature of a political battleground than of a deliberative assembly. We carried the discusssion from parliament back again to the constituencies and fortunately we have received a decisive verdict, a verdict which I believe is hailed throughout the country with approval inasmuch as, apart from other reasons, it helps to ensure greater certainty and stability in the administration of public affairs. I submit to my hon. friend that this is a moment when we might well join together to do our utmost to maintain the high traditions of this parliament in every possible respect. Indeed, if parliament is to hold in the country that respect which it ought to command, the members of all political parties and groups must co-operate towards this end.

Speaking of the choice of leaders, I observe that my hon. friend from Victoria (Mr. Tolmie), who happens to be in his seat at the moment, has within the last couple of months been chosen leader of the Conservative party in the province of British Columbia. It is somewhat interesting to remark that the choice in this case also is a bit of a compliment to the Liberal party, for I recall that the hon. member, too, is an

erstwhile Liberal. He shakes his head. Well, he may wish to forget the fact; he has been in bad company for some time. However, for a long while he was looked upon as a Liberal. May I, in congratulating him as well as my hon. friend the leader of the opposition, say to both of them in all sincerity that I hope they may be continued in the high office of opposition leaders with ever increasing satisfaction to themselves and others as long as they live.

Having extended congratulations to my hon. friends opposite, I join with the leader of the opposition in extending very hearty congratulations to the mover and seconder of the address. I am sure that we all felt very proud of the splendid manner in which the young hon. member for Prescott (Mr. Auger) spoke in the course of the debate this afternoon, and I think those of us who reside in Ottawa feel a particular pride in the knowledge that he is a graduate of the university of Ottawa. He is the youngest member of this parliament and, I believe, one of the youngest members who ever entered the House of Commons. I am sure when we realize that his college course was largely obtained unaided, through his own industry and effort, and that during it he carried off prizes and scholarships, we can say that he is an example and an inspiration to the young men of our Dominion. We may well hope that many more of his age will take a serious interest in the public affairs of their country and find places in increasing numbers in this House.

The hon. member for Portage la Prairie (Mr. McPherson), who seconded the address, came to us with a reputation as an able debater, as one experienced in public affairs and well versed in public matters, particularly those pertaining to western Canada. He has sustained that high reputation to-day in an admirable manner, and after listening to him I think we all feel that our parliamentary force has been greatly strengthened by his presence here. May I congratulate him not only upon the speech he delivered this afternoon, but also upon the great victory which he obtained at the last election, and which, more than anything else, accounts for the change in the person of leader of the opposition in this House. I am not going to pronounce any valedictory upon the departed, because I am not at all sure that we may not see him back in this House again; for my part, I should not be surprised to see him once more at the head of his party. That, however, is a matter for my hon. friends opposite to decide; it is a family affair and I have no desire to intrude into their domestic concerns.

May I, Mr. Speaker, take advantage of the moment to express the pleasure I am sure it gives most of us to see so many of the members of the last parliament in attendance again. A few of our old members are missing, and I confess that I am very glad that one or two of them are not here. In large part, however, old members have been returned, and I think it is with a feeling of pride and satisfaction to all that we meet again in the numbers we do to resume our labours in a new parliament. On behalf of the government, and on behalf of the old members of the House, I extend to the new members a most cordial welcome. I am sure we all have reason to know that the ability and debating talent of this chamber have been greatly added in virtue of the new members who have come into our midst.

I should like to join with my hon. friend the leader of the opposition, and with the mover and seconder of the address, in expressing appreciation of and pride in the appointment of the new Governor General of Canada, and the pleasure it affords all to have with us at Rideau Hall at the present time Lord and Lady Willingdon. In the short time they have been in Canada they have captivated the hearts of our people wherever they have gone. As the leader of the opposition said this afternoon, very truly, I think, we in Canada have great reason to be proud of the long list of distinguished gentlemen who have filled the high position of the king's representative in this Dominion. I may say that without exception we have been fortunate indeed in those who have been selected as governors general of our Dominion. I believe that great as have been the qualities of those who have filled this high position, the present Governor General possesses attributes second to none of his predecessors. He has had the advantage of a parliamentary experience over a considerable period of time. He has been a representative of the people in parliament; he also represented as governor of Bombay and Madras over an equal period of time His Majesty the King. He has been on important diplomatic missions to other lands, and taken all together his experience is such as to qualify him in an exceptional way for the high position to which he has been called. It is a rather interesting coincidence that, as in the parliament before last, we begin with a new parliament, a new government, and a new Governor General.

Perhaps this is an appropriate moment for a new statement as to the position of the Governor General. In this connection I was a little surprised at the suspicion with which my hon. friend was inclined to view a reference to the crown in the report of the Imperial conference committee. He asked very pointedly whether there was any ulterior motive, or if there was anything behind the plain statement of fact which appears in its pages. I may say to my hon. friend that the reason the statement was made so plain was to prevent the possibility of anyone having an ulterior idea with respect to any phase of the subjects to which it relates. I might just read to the House the statement contained in the report with reference to the position of the Governor General. The pertinent words are as follows:

The Governor General of a dominion is the representative of the crown, holding in all essential respects the same position in relation to the administration of public affairs in the dominion as is held by His Majesty the King in Great Britain, and that he is not the representative or agent of His Majesty's government in Great Britain, or of any department of that government.

I think that is a statement with which every hon. member of this House will be in hearty accord. My hon. friend asked if there was any particular reason why the word "crown" should be substituted for the word "king". I may say that I was not aware of a thought in the mind of anyone that a substitution was being made; in fact, in the one sentence both words are used:

—the representative of the crown holding in all essential respects the same position in relation to the administration of public affairs in the dominion as is held by His Majesty the King in Great Britain—

My hon. friend in the course of his remarks drew attention to the fact that some old documents refer to the queen, having reference to the Victorian era. Possibly the word "crown" was put there in order to stand for either king or queen. I can assure my hon. friend that from any discussion I heard at the conference, and from what took place there, there was not in the mind of anyone, so far as I am aware, the slightest desire to have the crown mean other than the ruling sovereign, be he King George or any of his successors, and be they kings or queens.

The important point of that paragraph, the significant feature of it, is that which makes perfectly clear that the Governor General in Canada is the personal representative of His Majesty; that he is in the truest sense of the word, a viceroy; that he is not the representative of the government or of any department of the government of Great Britain. That is the important feature of that particular statement, and I am sure there is reason for feelings of pride in the breast of every citizen of this Dominion that a statement to that effect should be made in unqualified terms. Indeed, the paragraph immediately preceding gives the reason why the statement is made as clearly as it is. It reads:

That position—

That is the position of Governor General.

—though now generally well recognized—

That is as the representative of His Majesty in the Dominion—

—undoubtedly represents a development from an earlier stage when the Governor General was appointed solely on the advice of His Majesty's ministers in London and acted also as their representative.

In our opinion it is an essential consequence of the equality of status existing among the members of the British commonwealth of nations that the Governor General of a dominion is the representative of the crown, holding in all essential respects the same position in relation to the administration of public affairs in the dominion as is held by His Majesty the King in Great Britain.

Mr. BENNETT: I do not like to interrupt, but perhaps the right hon. gentleman would not mind if I asked him this question. Does he mean the crown in right of the Dominion, and is the appointment of a Governor General to be made on the recommendation of His Majesty's ministers in Canada or His Majesty's ministers in London? That is a development of the proposition with which he is now dealing.

Mr. MACKENZIE KING: I was coming to that. The point that I wished to make perfectly clear in the first instance was this: That within the British Empire, in the so-called self-governing dominions, there has been a distinct constitutional development, or evolution, whatever term one prefers to use, from the status of crown colony to that of a self-governing dominion. In the case of a colony a Governor General is sent out as the representative, not merely of the crown, but of the British government; he receives his instructions from the British government or some department of that government as its agent, and he acts as an agent of the British government.

In a self-governing dominion the position is different; the Governor General in a self-governing dominion is constitutionally in identically the same position in relation to the affairs of the particular country to which he comes as His Majesty the King is in in relation to the affairs of Great Britain. He

is not, any more than is His Majesty the King in Great Britain, an agent of the government or a representative of the government or any department of the government of Great Britain. The Governor General in a self-governing dominion such as Canada, represents His Majesty the King alone. From now on there can be no question as to his not representing the government or any department of the government of Great Britain.

As to the matter of the selection of Governor General I am not wholly familiar with the methods that have been adopted heretofore. I am inclined to believe that what the leader of the opposition (Mr. Guthrie) surmised this afternoon, namely that the government of Great Britain, before making an appointment, conferred with the Prime Minister of the day either by written or oral communication and made the appointment only after such conference, is the method that has been followed, at least in recent years. Speaking of what took place with respect to the appointment of the present Governor General, I do not think I am betraying any secret which I should not when I say that the British Prime Minister did confer with me as Prime Minister of Canada with respect to that particular appointment and that the distinguished gentleman who is at the present time filling the position of Governor General was heartily approved of by myself in correspondence with the Prime Minister of Great Britain before the appointment was made.

I do not think the British government would, for one moment, contemplate recommending the appointment of a Governor General to Canada who was not persona grata to the ministry in office in Canada at the time of the appointment. It will, I think, be time enough to raise the question as to whether we are to draw hard and fast lines between the British government and our own in the matter of the ultimate selection of a Governor General when any difference threatens between the British government and our own over the matter of an appointment. I have not the least doubt that the government of Great Britain would not think of suggesting the appointment and, in virtue of the statement that is here laid down so emphatically, will not hereafter attempt to recommend the appointment of a Governor General to this Dominion without the approval of the Prime Minister—and that I take it means the cabinet—of this country before the appointment is made.

I would like now to say a word with reference to the celebration of the diamond jubilee of confederation and to join my words to those of hon. members who have already spoken in saying what a source of pleasure and pride as well as an honour it will be to us all to have with us in the celebration of the sixtieth anniversary of our Dominion His Royal Highness the Prince of Wales. May I say that from conversations I was privileged to have with His Royal Highness during the course of my recent visit to England I know he is looking forward with intense pleasure to being in Canada next year, and that nothing except wholly unforeseen circumstances which would make his visit impossible will prevent him from being with us during the celebration. It goes without saying that His Royal Highness will receive a right royal welcome when he comes back to our Dominion.

May I say, too, that the welcome which will be extended to the Prime Minister of Great Britain will be as hearty as the citizens of this Dominion can give to anyone? As my hon. friend said this afternoon it will be the first occasion when a Prime Minister of Great Britain in office has visited one of the great dominions. I am sure that all who have had the pleasure of meeting the Right Hon. Mr Baldwin and of knowing him will say that it will be their ardent hope and wish that when the time comes he may find it possible to be one of our guests at the celebration of the diamond jubilee.

In this connection I believe it will be the wish of the people of this Dominion that an invitation should also be extended by the government to the Prime Ministers of the other self-governing dominions. As all of them were present recently at the Imperial conference and have been absent from their countries for a considerable period, they may find it difficult to be present; but it will be our hope that if they themselves should be prevented from coming it will be found possible for ministers of their governments and possibly parliamentary delegations from their countries as well to attend. I believe that occasions such as these afford the public men of the different parts of the British Empire the best kind of opportunity of meeting together and coming to understand more fully the great aims, purposes and ideals which they hold in common. Only good, I am sure, can come from any event which will help to bring together from the different quarters of the globe those who are citizens of the countries comprising the great empire to which we belong.

May I continue what I have to say in the order of the remarks of my hon. friend? At the outset I might observe that with most of the items in the speech from the throne he appears to be in hearty accord. At any rate, he made no comment on the greater part of the speech, and I gather from his silence in this particular that the speech on the whole commends itself favourably to him, as indeed I should expect that it would. However, he has in the course of his remarks been critical of one or two references in the programme as therein outlined.

One remark he made was not specifically in reference to any item in the speech from the throne, but was more, I imagine, in the way of a sort of solace to his soul, namely that the representation in this chamber at the present time was not as much in accord with the numerical complexion of the population of the country as he thought it ought to be. He indicated that the total number of votes cast for his party ought to have given it, on a numerical count, a larger representation in the House. May I remind him that the constituencies as they appear at the moment, and as they were in the recent campaign, were the result of the work of a joint committee, of which, if I am not mistaken, he himself was a member. My hon. friend shakes his head. In that I stand corrected. At any rate, two or three members of his party were members of that committee. The late member for South Oxford, Mr. Donald Sutherland, I am reminded by my hon. friend from Quebec East (Mr. Lapointe), was a member of that committee, and I think that any committee of which Mr. Sutherland was a member may have been expected to take pretty good care of the interests of the Conservative party. When that report was brought into the House, all members of this House, regardless of the party to which they belonged, concurred in it, and the report was passed unanimously. There was no exception taken to it. In other words, it was generally conceded that the government in the preparation of the electoral map had sought to do what was wholly fair and right with respect to the representation of all parts of this country.

May I just add this? My hon. friend drew attention to what he regarded as an evil, namely, that there was no representation in this House whatever of minorities in certain areas. He did not propose a remedy, he pointed out the evil and he immediately ran away from the one obvious remedy which suggests itself, namely, the application, to a limited extent, at least, of the principle of proportional representation or of the single transferable vote. If my hon. friend will reflect for a moment upon where his members come from, he will agree that in considerable part they come from large cities, Toronto for example. I see seats over there representing something like eleven members who are returned in virtue of the votes that are cast in that one Tory hive. Toronto returns directly or indirectly eleven members altogether, they are all Tories; there is not a single Liberal among them. My hon. friend will surely not for one moment say that the number of Liberals there are in Toronto is not sufficient to entitle them to the representation of at least a single member in this House. If our electoral choices were made fairly and squarely on the basis of numbers, there would in fact be several Liberal members if the total Liberal vote counted. I simply point that out because I agree with him in part that the present system needs modification. But I do not agree with him when he is unable to give us any suggestion as to how that condition might be changed, especially when there is before him, as there has been before this country for a long time, a plan that has worked very well in other countries, and that ought to work equally well, applied within limits, within our own country.

My hon. friend was of the opinion that the time had come when the rural constituencies should be represented on exactly the same numerical basis as the urban, or vice versa. I cannot altogether agree with him as to that. He says that the rural constituencies have virtually the same opportunities to-day that the cities have, now that we have the automobile, the aeroplane and other devices. They have in some particulars, but they have not when it comes to the influence of opinion upon the affairs of government. I think my hon. friend will realize in a moment that in the cities there are the large journals, the daily press, which has a mighty influence on public opinion. My hon. friend will agree that the influence of the great dailies which issue from the cities is vastly greater than that of the rural press. Then in the cities there are such institutions as boards of trade, chambers of commerce, manufacturers' associations and the like, different organizations concerned with almost every interest, all of which bodies can quickly bring to bear through the influence they have on public opinion their views and ideas in a manner in which rural communities cannot begin to exercise any influence. For that reason, I am inclined to think that some special consideration may have still to be shown for some little time to come to the rural constituencies.

My hon. friend dealt with the question of foreign trade, and implied that the figures of foreign trade did not altogether reflect credit on the government. I would ask him this question: Does he think that the condition that existed at the time the previous Liberal administration came into office, when there was a larger amount of imports than exports, was a better condition than that which prevails at the present time, when our export trade exceeds our import by some $400,000,000? That is the difference. I confess, if there is any advantage at all in a large favourable balance of trade, that advantage has been steadily growing to the credit of the Liberal administration.

My hon. friend also said that all of the treaties that had been made since the Liberal administration had come into office had been against the interests of this country. I fail to see how he arrives at any conclusion of the kind. He spoke of the Australian treaty, and seemed to imply that because Australia had increased her exports to Canada somewhat, that therefore the treaty was not of as much advantage to us as it is to Australia. He did not draw the attention of the House to the fact that our exports to Australia are at least four times as great as the exports of Australia to this country, which is the fact. He said nothing about that whatever. He drew attention to the circumstance that relatively there had been some slight increase in the export trade of Australia to Canada. May I say this to my hon. friend: It was only with the greatest difficulty that our government was able to get an agreement with Australia at all, for the simple reason that the Australians felt that the balance of trade was so favourable to our country, and so lacking in favour to their own. If we had not that agreement, the certainty is that instead of exporting to Australia the large amount of material wealth that we do to-day, we would be exporting very much less.

The point I wish particularly to take exception to in my hon. friend's remarks is this. He seems to think we must always, in order to have an advantage out of a trade agreement, be exporting more than we are importing, and that such must be our position in relation to all countries that we do business with. I would ask him, what is the purpose of trade at all, if it is not that a man may obtain something he already has not and give in exchange for it something that he has? If a man has gold and wishes to buy something that is produced in another part of the world which he cannot get in his own country, surely he is the gainer if he buys that article, and gives gold in exchange. He does not trade unless some advantage is to be gotten out of it. My hon. friend since he has been in the society of hon. gentlemen opposite has been so closely associated with one particular group in the community that he has forgotten altogether the multitude that represents the country as a whole, namely, the consumers of the country, all of whom are entitled to get some advantage out of a trade agreement. My hon. friend led the House to assume that Canada's trade was of such a character that she was for the most part, parting with her raw materials when she should be keeping them, in order that her manufacturers might be in a position to supply the home market with manufactured goods, instead of buying them abroad. That particular argument might have had some force and weight if it had been addressed to his own following at the time they were in office prior to 1922, because at that time the excess of imports of manufactured goods into Canada over exports from Canada was something like $264,000,000. When the present administration came into office the excess of imports of manufactured goods into Canada over the export of manufactured goods began steadily to decrease. In the fiscal year ending March 31, 1922 the excess of imports over exports was $120,000,000. In 1923 the excess of imports over exports of manufactured goods had fallen to $59,000,000. In 1924 it had fallen to $47,000,000, and in 1925, instead of there being an excess of imports of manufactured goods into Canada over exports, Canada actually exported more than $15,000,000 worth of manufactured goods more than she imported. I have not the figures at hand for this year, but I am quite sure in my own mind that they will show a still further increase in the value of manufactured goods exported from Canada over the value of manufactured goods imported into this country.

My hon. friend sought to derive a little amusement for himself and his followers and a little consolation as well by drawing attention to the fact that in the present administration there were seated "cheek by jowl" as he expressed it, gentlemen whose views on tariff matters at some previous period may have represented shades of opinion that were not identical. I confess that every government of necessity must be composed of men who have different interests, but when men enter a government they give up a consideration of their own special interests, or the interests solely of sections of the country they represent, and become of common accord on matters of governmental policy, in an effort

to find, not the extreme view which might suit one particular section, but the course most reasonable to adopt in a country as vast as ours, where conditions in different parts of the country vary as much as they do. May I say to my hon. friend that the situation, however humorous it may be, of gentlemen in the present administration sitting cheek by jowl with each other is as nothing compared to the amusement to be derived when one looks across to the benches opposite and sees the hon. leader of the opposition (Mr. Guthrie), the hon. member for Fort William (Mr. Manion) the hon. member for Victoria (Mr. Tolmie), and one or two others, formerly all good Liberals, seated cheek by jowl with dyed-in-the-wool Tories and carrying off the plums. I cannot imagine any situation quite as ludicrous as my hon. friend the leader of the opposition sitting cheek by jowl by the side of the hon. member for Toronto Northwest (Mr. Church), who of necessity is one of his followers at the present time. I think the less my hon. friend has to say about cheek by jowl the better for all concerned.

The leader of the opposition in the course of his remarks touched quite a little on the question of the tariff. In that particular he was only running true to form in the leadership of the party of which he is now the head. At every general election we have heard much discussion by the Conservative party with respect to protection. They come out in full force as advocates of a protective doctrine, which they say is all important in order to save the interests of the Dominion. But as soon as the election is over and they come into parliament, while they talk a great deal about protection, I have noticed that never once have they come forward in the debate on the budget with an amendment of their own in which they lay down their doctrine and their principles with respect to the tariff. In the election of 1921, from one end of the country to the other, the then leader of the Conservative party advocated the doctrine of a consistently maintained protective tariff, but when we came into the House and the debate of 1922 on the budget took place, when one might have expected that the leader of the party would have moved his tariff programme, what did he do? He and the party opposite contented themselves with a motion complaining that the government of the day had not put into force all at once all the pledges that had been made at a previous Liberal convention. Nothing whatever was said about their own programme. In 1923 a similar course of talking about the need of protection was adopted, except that at that time the opposition did not present any motion as an amendment to the budget, it was left to the then leader of the Progressive party to move an amendment. In the following year 1924, they again failed to bring in any amendment to the tariff setting forth their own programme, and they left it to the hon. member for Winnipeg North Centre (Mr. Woodsworth), to bring in an amendment relating, I think, to the cost of living. Then again in 1925, instead of presenting their tariff platform, for which they professed to have such great concern, the ex-Minister of Finance (Sir Henry Drayton) or some other member at his instance, brought in an amendment regretting that taxation had not been reduced and that the national debt was as large as it was—not one word of their policy of protection consistently maintained. Then we had a general election, and all the talk about protection over again, and we came back for another session. What was their position on the tariff? Did they present an amendment to the budget embodying their policy of protection? Not a bit of it. They brought in a resolution regretting that before certain changes had been made in regard to the tariff in relation to one of the industries of the country, the whole matter had not been referred to the tariff board. Now after another general election at which there has been much talk about protection, we have my hon. friend coming forward with his general talk on the need of protection, but carefully avoiding a statement of what his party desires. I hope when the budget debate proceeds he and his friends will have the courage to state exactly what they stand for on the tariff, and let us see how our friends from the maritime provinces, who form a large part of their following, line up with my hon. friends from Toronto and elsewhere, in regard to protection and the question of the tariff.

My hon. friend next spoke about the net debt of the country, and regretted that the net debt did not seem to have been reduced as rapidly as possible. I think my hon. friend forgets just how much of that debt was incurred during the administration of hon. gentlemen opposite. I do not wish to go over subject matter debated in previous sessions, but I do think it is well worth while, when my hon. friend speaks of five years financing by the present administration, to call to mind how the financing was done by my hon. friends opposite in the four or five years they were in office during the period of the war. At that time something like $1,760,000,000 was added to the public debt of the country as the capital cost of the war, and

not one single dollar of that amount was raised by way of taxation. Every cent of it was borrowed money and every dollar of it was left for subsequent administrations to meet. That is where at the present time, if the government finds it difficult to reduce the public debt as largely as it might wish to reduce it, the difficulty arises. We have to continue to pay off the loans that were made at that period, most of which moreover, were made in a manner that deprives the government altogether of deriving any revenue from the income from the bonds that were issued by the government of the day.

Now, in regard to immigration, I hope if my hon. friend is really in earnest in desiring immigration to assume the proportions that he has said he would like it to assume, he will drop this talk about there being no employment in Canada and about migration to the United States. Let me ask him at the moment, should his remarks be cabled to England, what would be the effect to-morrow, on the mind of an immigrant about to come over to either Canada or the United States? He would read that the hon. leader of the Conservative party in Canada says that the doors of some of the American consulates in Canada are being crowded by people wishing to go to the United States, and that there is no employment in Canada for those wishing to come here. What would the result be? The man debating in his mind whether to go to Canada or to the United States—he has decided to go somewhere on this North American continent—reads the words of my hon. friend opposite, and they are sufficient to turn him to the United States. This country has suffered all along far too much through hon. gentlemen opposite preaching blue ruin. It is time now that at least that kind of party propaganda should cease. May I say to hon. gentlemen opposite, the answer to all their talk of blue ruin will be found in the statements which are appearing from every commercial house, from every banking institution and from every financial concern of importance in this country, week in and week out, that not for many years has there been a period of prosperity such as Canada is enjoying at the present time, and that so far as the future is concerned it points to greater and still greater prosperity.

My hon. friend asked me about the report of the commission upon conditions in the maritime provinces, and in that connection said that, while it was a step in the right direction to appoint that commission, the credit for doing so was due to representations from the delegation of Conservative members from the maritime provinces which was in the House last session. I would remind my hon. friend that before the House assembled last session the government had prepared its speech from the throne, and in that document there was this paragraph:

> With a view to affording such remedies as may appear to be practical and appropriate, the government also propose to appoint a royal commission to inquire fully into the claims that the rights of the Maritime provinces in regard to the operation of the Intercolonial railway have not been observed, and that in regard to transportation, immigration and other economic factors these provinces have suffered prejudicially in their position under confederation.

The speech from the throne in which that declaration appeared was read on January 8 last before this House had formally assembled for business. May I add that far from hon. gentlemen opposite being responsible for the commission being appointed, hon. members from the maritime provinces sitting behind my hon. friend were among those who criticized the government for appointing that commission. What was done by the government in that particular was done as a matter of fact in spite of the representations from hon. members from the maritime provinces on the other side of the House rather than because of them.

I wish I could oblige my hon. friend by meeting the specific request that he made of me in the course of his remarks, namely, to advise him at this present juncture of the particular measures which the government intend to bring down to carry out the recommendations contained in that report. He said that he had not had an opportunity of reading the report carefully. I doubt very much if many members of the House have had that opportunity up to the present time. I know that personally I have not had an opportunity thus far to give to the report the careful study that I should like to give to it before beginning to discuss in detail the particular measures that will be brought in to carry out its recommendations. During the time that my friend the Minister of Justice (Mr. Lapointe) and myself were in England our colleagues in the government gave very careful study to the report. They have in mind the steps which should be immediately taken, but up to the present time neither the Minister of Justice nor myself have had time to confer with them to the extent we should like before pronouncing in this House on the particular measures to be brought down. I think my hon. friend will agree that it is not unreasonable for us to ask that we should have that opportunity before speaking in detail of the measures that it is our intention to introduce.

Before I come to my hon. friend's remarks on the Imperial conference there is one item in the speech from the throne of which he made no reference, but to which I should like to refer because in a way it relates itself to the period of the Imperial conference; that is the announcement therein contained of the appointment of an envoy extraordinary and minister plenipotentiary at Washington. I take it that in the absence of any comment my hon. friend approves of the action of the government in that particular. If he does not, I should be happy if he would say so at the moment, because I have been under the impression that all parties in this House looked favourably on the appointment of a representative of Canada at Washington. I know there are individuals who hold opposite views. But I should like my hon. friend to say quite frankly whether the Conservative party in the House take an opposite view to the government's in the matter of that appointment. If he should say so, I would wish to draw his attention to the circumstance that in 1920 the Right Hon. Sir Robert Borden, then leading the House, made a long statement as to the reasons why Canada should be represented at Washington by a Canadian minister. The Hansard of that session contains the account then given of the negotiations which Sir Robert Borden's government had had with the government of Great Britain respecting the appointment of a minister at Washington from Canada. The matter was agreed to, and an understanding was reached which was acceptable both to the British government and to the Canadian government of the day, and also, I understand, to the American government.

Now, that arrangement, as I recall it, went further than what is proposed by the present government. The arrangement as made by Sir Robert Borden's government provided that the Canadian minister would, in the absence of the British ambassador, fill his position at Washington. Hon. members who were in the House at the time may recall that the Liberal opposition of the day took exception to that particular feature. We did not see how an appointee of this government could act as the representative of another government. In the event of any mistake arising it would be difficult to know which government would be expected to take the necessary action to bring about redress. We could not see wherein an arrangement of that kind would be of advantage either to the British government or to our own, and we have decided therefore that the representative of the government of Canada at Washington shall represent the affairs of this country only.

May I say that the appointment of our minister to Washington has been made in precisely the same way as the appointment of an ambassador from England to the United States would be made. It has been made upon the advice of the Canadian ministers to the crown, and the crown accepting their advice. The necessary letter of credence will be taken from His Majesty the King to the President of the United States.

9 p.m.

Mr. BENNETT: Would that be by the crown in the right of Canada or of England?

Mr. MACKENZIE KING: The crown in the right of Canada.

Mr. BENNETT: The Governor General here signs the commission?

Mr. MACKENZIE KING: The King actually signs the formal document that accredits the minister to Washington, but on the advice of his Canadian ministers.

Mr. BENNETT: That is what I wanted to know.

Mr. MACKENZIE KING: The appointment was made in the first instance by order in council of the Canadian government. His Majesty the King was informed of it and after Washington had been communicated with to ascertain whether the person appointed would be acceptable to the President, and a reply was received in the affirmative, the further necessary action properly to accredit the minister was left to His Majesty the King.

Mr. BENNETT: If it is not trespassing on the Prime Minister's speech, may I ask why the appointment should not be signed by the Governor General here rather than by the King? Why should not the appointment come from Canada rather than from England?

Mr. MACKENZIE KING: He is the King's representative.

Mr. BENNETT: I know, but he is also Canada's minister.

Mr. MACKENZIE KING: The formal document appointing the minister in the first instance is signed by the Governor General. The appointment is made by order in council of the Canadian government, and the Governor General signs the order. That order having been communicated to His Majesty, His Majesty agrees to the appointment and accredits the minister.

Mr. BENNETT: If there is an equality of status, why the necessity for having the matter transmitted to England?

Mr. MACKENZIE KING: His Majesty has his deputy here in the person of the Governor General, it is true; but in the appointment of ministers to foreign countries I assume it will always be the desire not only of His Majesty but of this parliament that the formal letters of credence shall be signed by the King.

Mr. LAPOINTE: He is the king of Canada.

Mr. BENNETT: Quite so.

Mr. MACKENZIE KING: With respect to this appointment it is, I think, desirable to direct attention to the fact that there are no two countries in the world between which there exists so extensive a boundary as that which separates Canada from the United States. Probably there are no two countries in the world in which the respective citizens have as much in the way of business transactions with one another as have the people of these two countries on the North American continent. Fortunately we have not inherited the military feuds of the old world, nor have we racial hatreds to contend with. But there are many matters of immediate concern both to the United States and to Canada, and we believe that a minister from our own Dominion will be in a position to deal more expeditiously and effectively with such matters than has hitherto been possible. Let me say at once that we in Canada have reason to be profoundly grateful for and appreciative of the splendid services which up to the present time have been rendered this country by the British ambassador at Washington. Certainly no one could have been more solicitous of the interests of the Dominion than Sir Esme Howard, the present ambassador to the United States. Sir Esme Howard, as many members in this House have heard him say, himself welcomes the appointment of the Canadian minister to Washington. I think he feels that a colleague coming direct from our Dominion and dealing especially with those matters that immediately affect this country will prove in every way not only of advantage to the Dominion but, as well, of considerable assistance in the relations between the British Empire and the United States.

I have only this to add: in my opinion the country is indeed fortunate in the person of the gentleman who has received the appointment of minister at Washington. The Hon. Vincent Massey is exceptionally well qualified to fill that high position. He has the advantage of having had a university training not only in Canada but at Oxford. He has had large business experience. He has held important administrative posts. He is still a young man, is possessed of a high public spirit and is so admirably qualified in other particulars that I doubt whether a better choice could possibly have been made.

I come now to the remarks of my hon. friend (Mr. Guthrie) with respect to the Imperial conference. I confess that I was somewhat surprised at the comments he made upon and the questions he asked in relation to the conference. He seemed extremely critical of the results that had been achieved. I would remind him, as well as hon. gentlemen opposite, that the criticisms he has directed, apparently at my colleague and myself, apply in equal measure to the representatives of Australia, New Zealand, South Africa, the Irish Free State, Newfoundland, and Great Britain, inasmuch as every resolution that appears and every line of the report has the unanimous approval of all the representatives at that conference. When my hon. friend suggests that possibly there has been some ulterior motive in the use of the word "crown" instead of the word "king", when he finds possibilities of disruption of the empire in other sections of the report, he is adversely criticising the Prime Minister of Great Britain; he is criticising Lord Balfour, the leader of the British government in the House of Lords; he is criticising the Foreign Secretary of Great Britain. In a word, he is criticising every member of the British government and every one of the representatives of the other dominions who took part in the conference. If my hon. friend will for a moment forget altogether the political bias which he may feel he is expected to some extent to show, and will look at the report as all those who were present at the Imperial conference certainly looked at it, he will realize that what is therein embodied expresses only what the representatives of every part of the empire, after the fullest and most careful examination, felt to be in the interests of all concerned. That is the point I wish first of all to impress upon my hon. friend.

The second point to which I call his attention is the contradictory character of his comments with respect to the question of equality of status. As I listened to his remarks it seemed to me that the first part of his speech was an effort to show that nothing had been attained which had not been accepted for some time. I gathered that in his view, Sir Wilfrid Laurier had con-

tended that Canada had the fullest rights of self-government in all particulars; that there was equality of status with the Mother Country so far as this Dominion was concerned. He contended also that Sir Robert Borden had taken that position; at any rate I think Sir Robert Borden would wish to have it known that he had so held. The whole argument of my hon. friend at the beginning was to the effect that, after all, statements made with respect to equality of status constituted simply an affirmation of a position which Canada had maintained as already established. In the last part of his address the hon. gentleman's effort seemed to be directed to showing that there was no such thing as equality of status. The position he took was that there could not be equality of status inasmuch as England was very much larger, more powerful, and much more influential than the Dominion of Canada. In his view, therefore, the talk about equality of status was all nonsense.

With all due respect to my hon. friend I suggest that he has confused in his own mind the terms "status" and "stature." Status and stature are not the same thing. Bigness, extent of power, and the like are all matters of stature and not of status, for status has nothing whatever to do with size. Status has to do with rights enjoyed within certain limits. Perhaps I might offer an illustration. Every hon. member of this House, whether he be the youngest member and one who has entered parliament for the first time or the oldest parliamentarian like yourself, Mr. Speaker, enjoys equality of status with every other member. There is not one member of parliament who as member has any rights greater than any other. Some, it is true, may perform different functions, may for the time being fill one position or another; one may be exercising the function of a minister of the crown, and another the function of the leader of the opposition; but each is, so far as his status goes, a member of the House of Commons of Canada, representing the people of the particular constituency which has returned him here, and each constituency is entitled to the same measure of representation in this House of Commons. Every constituency has the same right to representation in this parliament, quite regardless of the individual stature or importance in other particulars of its representative. That is precisely the view the Imperial conference has taken with respect to Great Britain and the self-governing dominions; it is not a question of size; it is not a question of power or of might, but a question of the rights of each of the self-governing communities with respect to the control of their own domestic and external affairs. With regard to the domestic and external affairs of this Dominion, the Imperial conference has said that in the opinion of its members, those rights of control are just as full and complete with respect to Canadian affairs as are the rights of the British government in respect of the domestic or external affairs of Great Britain. Now I should like to know, Mr. Speaker, is there any hon. member of this House who would have the position any different? Does my hon. friend wish us to be in a position of subordination?

Before I come to that, in order quickly to reassure my hon. friend and any other timid souls as to how far they are being involved in virtue of anything that has been done, I would like to recall what my hon. friend said as to Sir Wilfrid Laurier's attitude. Sir Wilfrid took the position that he was attending a conference and not a cabinet. Let me say that that was the position which my colleague and myself took very firmly from first to last throughout this conference, and that was the position I took at the previous conference. I recall very well at the conference of 1923 urging strongly that in the report of the conference itself, it should be made quite clear that the conference was not a cabinet laying down policies of government for the empire, but that it was simply what from its name it purported to be, namely a body of gentlemen representing different governments, who had met to confer together, to come as far as possible to a consensus of opinion and then report the result of their joint deliberations together with their recommendations, back to the governments and parliaments which they had been sent to represent. Expression is given in the summary of proceedings of the Imperial conference of 1923 to that position. It will be found on page 13 of the printed proceedings, Canadian edition, as follows:

> This conference is a conference of representatives of the several governments of the empire; its views and conclusions on foreign policy, as reported above, are necessarily subject to the action of the governments and parliaments of the various portions of the empire, and it trusts that the results of its deliberations will meet with their approval.

That was the position taken in 1923 and that position was again taken at the recent conference. It was a conference of representatives of the different governments, and everything the conference did, before it begins to bind a single part of the empire, is subject to the approval of not only the governments but also the parliaments of the

different parts of the empire. It is the intention, Mr. Speaker, of the government to set apart one day or two days, or longer, if so desired, for the discussion of the proceedings of the conference; meanwhile I wish to assure hon. members of the House that in no particular has the hand of a single member been bound with respect to any matter which appears in the report of the proceedings. The report represents what the representatives assembled in London believed to be was a true statement of the present position. If this parliament takes a different view from that of the representatives of the governments at the Imperial conference, it is quite within the power of parliament so to express itself. I may say to my hon. friend that the government intends to put the report before this House just as it appears, and to recommend its adoption. If my hon. friend has any resolution to offer in amendment, we welcome his amendment, and ask him to debate it with us on the floor of the House. As it stands, however, we believe that this document expresses in the best possible form what is a matter of common opinion and agreement between all parts of the British Empire, and as such we believe that it will help to make for greater concord and greater unity within the empire.

My hon. friend asked who instructed my colleague and myself to go to London and attend an Imperial conference on constitutional questions. I am somewhat surprised that my hon. friend should ask that question, because as I remember it, he and his party were urging as strongly as they could that I should go to the conference; that on no account should I stay away; that if need be, parliament should be put off for some little time to make sure of my presence. That was not an instruction, but I am rather surprised that my hon. friend should now raise any question with respect to the presence of my colleague and myself at the conference. With regard to the agenda, I may say that it was before him during the time he was in office, or rather during the time he was supposed to be in office, and that he had an opportunity of looking it over; it was not altered in any particular after we went to London. My hon. friend also said that we had no mandate. I do not wish to enter upon any controversial point at the moment, but my recollection is that during the period of the general election, there was a good deal of question as to who was to represent Canada at the Imperial conference. I think the results of the election indicated rather decisively the preference of the Canadian people in that regard.

[Mr. Mackenzie King.]

May I say to my hon. friend that when my colleague the Minister of Justice (Mr. Lapointe) and I went to London, we went with a perfectly open mind as to the questions which were to come up at that conference. I am free to admit that neither of us had had much opportunity to study in advance the questions coming before the conference, or to prepare for them. Indeed, if we had consulted our own convenience in the matter, I think we should have greatly preferred not having had to take up the work at such short notice. To make our attitude perfectly clear, I spoke in advance in the city of Quebec with reference to the point of view from which we would approach the issues which were likely to come up at the conference, and my hon. friend has done me the kindness to comment favourably on what was said at that time. I did say that as the representatives of Canada we were going to the conference in a spirit of goodwill towards Great Britain and towards all the dominions which would be represented there; that we had not a single grievance; that we had no particular demands to put forward, but that we were prepared to co-operate to the best of our abilities with the representatives of the other governments concerned. That was the position, so far as Canada was concerned, as I stated it at the conference itself. I made it perfectly clear to all who were there assembled that as between Great Britain and this Dominion there were no difficulties of any kind; that as between Canada and the other dominions there was the greatest friendship, and that so far as the relations of this country with foreign countries were concerned, they were all to the good, as we could see them; that we came there simply to join with our colleagues from other parts of the empire in taking up the questions presented to us in the spirit in which we believed all would wish to have them taken up. We sought to maintain what we believed to be the Canadian point of view, and I contend that this document, as it is presented here, does present the Canadian point of view on the matter of inter-imperial relations. Not only does it represent the Canadian point of view, but I believe it represents the point of view which the mother country and the different dominions hold in common. I will say, however, that I think it was the Dominion of Canada which led the way to that particular point of view. I am not speaking of this particular conference, but of the Canadian point of view as it has been developed over a period of years. This dominion has led the way in the discussion of inter-imperial relations, and Canada's position, which some-

times has been criticised from different sources as being an advanced position in some regards, has come at last to be looked upon as the position best calculated to maintain not only national autonomy, but imperial unity as well.

It would take too long a time to attempt during this debate to go at any length into the matters dealt with in the conference report. Indeed, as I have already indicated, the government intends to set apart a day for the discussion of matters relating to the Imperial conference and I shall reserve until that time what I have to say with regard to the work of the conference as a whole. All I wish to do at the moment is to set at rest any fears or alarms that may be in the minds of my hon. friends opposite and to make it clear that so far as Canada is concerned parliament has it entirely in its power, if it so desires, to reverse in any particular any statement of position which may appear in the report of the conference.

While the conference took up matters relating to trade, defence, migration, communication, research, forestry, and other economic questions, the most important work of the conference concerned inter-imperial relations and in a special way the negotiation, signature and ratification of treaties. The committee that dealt with the question of inter-imperial relations was presided over by the Right Hon. the Earl of Balfour. The committee that dealt with the negotiation, signature and ratification of treaties was presided over by the Minister of Justice of Canada (Mr. Lapointe), and in that position my hon. colleague commanded not only the admiration but, I believe, the gratitude as well of all members on that committee. As regards inter-imperial relations hon. members will find in the italicized portion of the report which deals with the status of Great Britain and the dominions, the central feature of the entire report. I will read that particular clause because I think it is important to bring it concretely to the attention of the House.

There is however a most important element in it—

That is to say the British Empire.

—which from a strictly constitutional point of view, has now, as regards all vital matters, reached its full development—we refer to the group of self-governing communities composed of Great Britain and the dominions. Their position and mutual relation may be readily defined.

Then the italicized portion follows:

They are autonomous communities within the British Empire equal in status, in no way subordinate one to another in any aspect of their domestic or external affairs, though united by a common allegiance to the Crown and freely associated as members of the British Commonwealth of Nations.

That represents in as concrete a form as it can be given the view held in common by all the representatives of the British Empire with respect to the relative position of the dominions and Great Britain in regard to their domestic and external affairs. If there is any criticism to be offered of that particular formula, I think it should take the form of suggesting wherein the formula is misleading or what should be said of an opposite character. Let me take the formula clause by clause:

They are autonomous communities within the British Empire.

Will any member in this House differ with that statement?

Equal in status.

I have already made mention of the meaning of that.

In no way subordinate one to another in any aspect of their domestic or external affairs.

Is there a member of this House who desires that this dominion shall be subordinate either to Great Britain or to any other part of the British Empire with respect to its own domestic or external affairs?

Though united by a common allegiance to the crown.

That position is a link and bond which all of us wish to see maintained.

And freely associated as members of the British commonwealth of nations.

Is not that an exact statement of the truth?

The work of the conference, after stating the root principle governing relations within the British Empire, was directed towards removing any forms or practices that seemed to be at variance with that particular formula.

The conference took up one by one the different matters which were brought to its attention from each and every source, and which seemed to be in conflict with the statement of the true position as outlined. Many of these questions were brought up by other dominions. I have already intimated that Canada did not put forward at the conference any grievance, or application for alteration of any particular matter. Many things that were of concern to us had already been raised by other of the dominions. We entered the conference ready to take our part to the best of our respective abilities in each and every question as it came up.

I will leave until a subsequent time a further discussion of the work of the conference in detail. May I say here what I

said publicly in London before coming away, that I believe from the Canadian point of view the merit of the conference will lie not so much in a statement of what has been gained as in the statement of what has been attained and is now acknowledged to be altogether beyond debate. I think it is true that all the great charters of freedom in British history have for the most part not purported to introduce anything new or revolutionary. They have purported to be a statement of those rights which the citizens of the day believed were theirs and which they regarded as established. They were a formal statement which could be appealed to by future generations as indicating the point of agreement that had been reached with respect to the several matters with which they dealt. In that particular, I believe the work of this conference so far as the statement of inter-imperial relations is concerned, will take its place in history, by the side of those great charters which have stood in one form or another for a larger freedom. I believe this great conference, once party controversy is removed and we get a true perspective of it, will stand out in history as a conference which has revealed how broad, deep and enduring within the British Empire are the foundations of national autonomy and imperial unity.

In listening to my hon. friend the leader of the opposition I had intended, when five or ten minutes to six arrived, to conclude my remarks with this topic which I thought would be also his last. Prior to that moment my hon. friend, it seemed to me, had been careful to avoid much in the way of controversy arising out of the recent political campaign and had been more or less guarded with respect to the statements he made. At ten minutes to six, however, for some reason best known to himself, he launchd out in direct fashion in an attack upon myself. Amongst other things, he spoke of a constitutional issue that had been put forward by myself and others as an important issue in the campaign, but which according to his view really did not amount to anything. He went on to say a number of things which even in that short space of time I found it necessary to take exception to. If, therefore, I touch at the moment upon the constitutional issue which he has brought up, he has only himself to thank for it. It is I think important, in view of the remarks which my hon. friend made, that with respect to the constitutional issue my own position and the position of the present administration should be made perfectly clear.

[Mr. Mackenzie King.]

May I say to him, first of all, that when he speaks of the misapprehensions people in the old country appear to have been under at the time of the last general election, I could tell him of a good many, and I could tell him pretty conclusively of the reasons therefor. Without doubt the propaganda of my hon. friend and his friends in the last campaign did mislead the British public considerably. It misled the British public in more respects than one. The British public were sadly misled by the Conservative press of this country through cabled despatches to the effect that a Conservative government was going to be returned in this country by an enormous majority. In that particular the British public were quickly undeceived once the election took place.

May I say that I think it important that in our political discussions we should have some regard to the representations made not only because of their effect upon our own electorate, but also because of the effect which is likely to be produced abroad. My hon. friend spoke about annexation to the United States. I would like to know when in the recent campaign a single member of the Liberal party ever uttered one sentence which was capable of being construed as a desire for annexation to the United States. On the other hand, I say that hon. gentlemen opposite over and over again in different parts of this country did all they possibly could to have the citizens of this country believe that members of the Liberal party were in favour of annexation. And what was the result? The people of Canada knew better, they understood the truth. They were not deceived by this propaganda. But as my hon. friend has said, when my colleague and I arrived in the old country, we found the people of Great Britain thinking there was a great question on this continent, namely that of the possibility of the annexation of Canada to the United States. It was all the result of Tory propaganda—nothing more and nothing less.

My hon. friend says that there was really no constitutional question. Well, Mr. Speaker, I do not know what he has in his mind as the question that really influenced the electorate most in the last campaign, but I believe that it was the constitutional question, perhaps not the question in the form in which he would like to phrase it, but in the form in which it actually arose.

I do not believe there is an episode in Canadian history that will stand out as such

a Gilbertian performance as that witnessed in this House of Commons during the last four days of the last parliament, when hon. gentlemen opposite undertook to occupy seats on the treasury benches. Anything more ludicrous than the sudden entry upon the political stage of that phantom ministry, and its equally sudden exit, I do not think has been enacted in politics anywhere. As I look at hon. gentlemen opposite at the moment and seek to divine the thoughts of that phantom ministry, as they pass through their minds even at this time, I imagine I can hear them saying to one another:

She was a Phantom of delight
When first she gleamed upon my sight;
A lovely Apparition, sent
To be a moment's ornament.

That is what it was, the late ministry, a phantom and an apparition, and that is how it will be viewed by history.

I would be prepared to leave the matter there were it not that my hon. friend still contends that there was no constitutional issue. For purposes of record it is perhaps important that with respect to that phantom ministry the government's position should be clearly stated. We take the view that the whole proceedings of that ministry from beginning to close were unconstitutional, that it never was a ministry in any true sense of the term as ministries are understood under the British constitution. When was there a ministry in British history that undertook to carry on the government of the nation, having no authority from parliament and no authority from the country? That was the position of the ministry that assumed to carry on the government of this country for a period of some eighty days.

Mr. MOTHERWELL: Freebooters!

Mr. MACKENZIE KING: May I remind the House of the last word of the last parliament with respect to that so-called ministry? It will be found, Mr. Speaker, in the resolution passed at midnight of July 1 and reported in the Votes and Proceedings of that day:

That the actions in this House of the honourable members who have acted as ministers of the Crown since the 29th of June, 1926, namely the hon. members for West York, Fort William, Vancouver Centre, Argenteuil, Wellington South, and the hon. senior member for Halifax, are a violation and an infringement of the privileges of this House for the following reasons:—

1. That the said hon. gentlemen have no right to sit in this House, and should have vacated their seats therein, if they legally hold office as administrators of the various departments assigned to them by orders in council.

2. That if they do not hold such offices legally they have no right to control the business of government in this House and to ask for supply for the departments of which they state they are acting ministers.

That was the verdict the House of Commons pronounced on that particular ministry of that day. I say that when that verdict was pronounced that so-called ministry should instantly have resigned; it should not have attempted to continue to advise the sovereign's representative, and, least of all, should it have attempted to advise the sovereign's representative to dissolve parliament without so much as the formality of a prorogation. I say that the whole proceedings of that ministry from beginning to close were unconstitutional. There was no ministry while parliament was in session. There was but one minister sworn to office. The so-called acting ministers acknowledged that not one of their members was a minister of the crown. There can be no such thing as a ministry de facto. There must be a ministry de jure. There was no ministry de jure. That was the view that parliament took of the ministry, and that was the view that was before the country when the elections were held, and the country endorsed that view, and so I say, Mr. Speaker, that except to the extent that this parliament by its action explicitly or impliedly is prepared to countenance or regularize what was done by that administration, everything that it did was unconstitutional and is actually without any binding effect.

Mr. C. H. CAHAN (St. Lawrence-St. George): Mr. Speaker, unexpectedly I am requested by the leader of the opposition to continue the debate. As the hour is quite late and as we have had a somewhat lengthy sitting, and this is really our first day, I would suggest to the Prime Minister that he concur in my moving the adjournment of the debate.

Mr. MACKENZIE KING: Mr. Speaker, I shall be very happy to concur in the motion, but I hope that if we adjourn now, my hon. friend will agree not to make his speech much longer as a consequence.

Mr. CAHAN: I will promise the Prime Minister to be very brief.

On motion of Mr. Cahan the debate was adjourned.

On motion of Mr. Mackenzie King the House adjourned at 9.42 p.m.

Tuesday, December 14, 1926

The House met at three o'clock.

GOVERNOR GENERAL'S WARRANTS

Hon. J. A. ROBB (Minister of Finance): I desire to lay on the table a statement of the Auditor General as to governor general's warrants issued since last session, and expenditures thereunder; also a statement of the Auditor General as to treasury board over-rulings of his decision. Hon. members of the House will be interested to know that the Auditor General says in his report that there have been no treasury board over-rulings of his decisions since last session.

INDIAN LANDS

Hon. J. H. KING (for the Minister of the Interior): Mr. Speaker, on behalf of the Minister of the Interior I beg to report that there were no remissions on sales of Indian lands during the fiscal year ended March 31, 1926. I desire also on his behalf to give notice to the House that no irrigation regulations have been enacted under the provisions of chapter 61, section 57, of the revised statutes. The Minister of the Interior also desires to give notice to the House that no orders in council relative to water in the railway belt have been passed under the provisions of the statutes of 1913, chapter 45, section 4.

CIVIL SERVICE

BILL TO ABOLISH CIVIL SERVICE COMMISSION AND PROVIDE FOR BUREAU OF EXAMINERS

Mr. P. A. SEGUIN (L'Assomption-Montcalm) moved for leave to introduce Bill No. 2, respecting the Civil Service. He said:

Mr. Speaker, the object of this bill is to abolish the Civil Service Commission as it exists to-day, in order to simply replace it by a board of examiners who will judge of the qualifications of the candidates applying for positions in the civil service and of those who are in line for promotions.

This bill in effect does away with the complex nature of the present act, while relieving the budget of some few hundred thousand dollars per year.

I am of the opinion that the present system has not in any way bettered the service and that it is a heavy burden, useless to the state.

This bill, it seems to me, has therefore its usefulness.

Motion agreed to and bill read the first time.

[Mr. Cahan.]

PELEE ISLAND CABLE

On the Orders of the Day:

Mr. E. J. GOTT (South Essex): I desire to inquire from the Minister of Public Works if the repair work on Pelee island cable has been abandoned for the season, and if so is there a possibility of connecting the island with the mainland for the winter months? I wish also to inquire as to how far the work has progressed?

Hon. J. C. ELLIOTT (Minister of Public Works): I will be very glad indeed to make inquiries and ascertain the exact position of the work referred to by my hon. friend and give him the information he desires.

ATHABASKA ELECTION

On the Orders of the Day:

Mr. D. M. KENNEDY (Peace River): Will the Prime Minister inform us if we can have the report of the Minister of Justice in connection with the inquiry held into the Athabaska election in 1925 tabled within the next few days?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I cannot say offhand whether the report is in the Department of Justice, but if it is I will undertake to say that it will be laid on the table of the House.

GOVERNOR GENERAL'S SPEECH

ADDRESS IN REPLY

The House resumed from Monday December 13 consideration of the motion of Mr. L. Auger for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

Mr. C. H. CAHAN (St. Lawrence-St. George): Mr. Speaker, at the outset of the remarks which I wish to make I think I may say, on behalf of all members on this side of the House, that we concur most cordially in the welcome which has been expressed by the Prime Minister (Mr. Mackenzie King), and by the leader of the opposition (Mr. Guthrie), to His Excellency the Governor General and Lady Willingdon. I have no doubt that their sojourn in this country of ours will prove both a pleasure to them, a profit to us and a service to the crown which His Excellency represents. I do not imagine, Sir, despite the report of the Imperial conference committee and the remarks which have been made thereon by the Prime Minister, that His Excellency will find the duties of the office of Governor General in Canada very much increased or very much diminished by the alleged changes mentioned in the report of that committee. The Governor General as a representative of

the crown is the representative of the king, and as the representative of the king he has not, hitherto, so far as I am aware of his administrative acts, been the agent of any department of the British government or of the British government itself. I think the status, so far as His Excellency is concerned, is the status expressed in the British North America Act and not otherwise. It will be convenient, I think, when this report of the Imperial conference committee comes up for further discussion, that the Prime Minister lay on the table of the House a copy of the commission and instructions to His Excellency, in order that we may ascertain more definitely whether there has been any change in his duties and responsibilities as expressed in those two official documents.

I might say also, on behalf of the Conservative members of this House, that we appreciate more than we can express the consideration which the hon. leader of the opposition has shown to our unanimous request in caucus that he should undertake the onerous and responsible duties of leading the Conservative opposition in this House during the present session, assuming those duties and responsibilities at a great sacrifice to himself personally, I believe, in order that he might give the best of his services to the party who support him in the House and to the House as a whole. I can assure him also, I think, on behalf of the Conservative members of this House, that they will give him a loyal and consistent support in the performance of his duties and in assuming the responsibility of his official position.

I may also express, not only on behalf of myself but on behalf of the Conservative members of the House, our appreciation of the fact that, despite the fatigue of the enormous and extended campaign that the present Prime Minister carried on during the recent election, despite the onerous duties imposed upon him at his assumption of office, he did, from a sense of duty I believe, and from a sense of responsibility to this parliament and to the country, lay aside the home duties of his office and take his place as the Prime Minister of this country, with his colleague associated with him, at the recent Imperial conference at London. I may say that in these days of tumult and turmoil, when our social and political life and traditions are being adjudged and weighed in the balance as never before, I am disposed for one to give to every office of authority, and chiefly to the leader of this House and Prime Minister of the government of this country, every support which is necessary, in order that he may have, as a representative of this country, either in the councils of the empire or in dealing, so far as it is his function to do so, with foreign states, the full support of the parliament of the country, so far as we can consistently extend it to him. Whatever may be our dissensions and differences with regard to our domestic affairs, I believe it is our high duty to uphold the office of Prime Minister and to support the incumbent in carrying out the high duties and responsibilities of that office so far as we may, consistently with our own conscientious judgment of the political necessities of our common country. But to that remark I may add that I do not agree with the Prime Minister, under the conditions in which we find ourselves to-day, with this report of the Imperial conference before us, that any attempt on our part to elucidate clearly the real meaning of the paragraphs of that report constitutes a personal criticism of him, or a personal criticism of the Prime Minister of Great Britain or the prime ministers of the dominions represented at that conference. In the latter part of his address he stated the true position I believe, that that report will be placed before parliament for the consideration of every member of this House, and that it is our duty as individual members on either side to give it our most careful attention, and if we shall find discrepancies or inconsistencies therein, or verbiage which is not clear to our intelligence or to our judgment, to exercise our right to make such comments as may be necessary in order to elucidate the real position in which that report places the country at large.

Now, Sir, in dealing with the debate on the address the Prime Minister—and I may speak of it in this connection—referred to the fact that, after his resignation as prime minister was accepted in June last, certain expenditures were made by the incoming government by warrants of the Governor General, and if I apprehended the meaning and intent of his remarks, they were to the effect that, in his judgment and in the judgment of his colleagues on the government benches, the expenditures so made were unconstitutional and illegal in view of the circumstances in which they were made. I differ entirely from that opinion, and I say to the Prime Minister and to this House that rather than have that opinion go forth to the country as being based upon the facts and upon the law—based it was in part upon the fact that a resolution in the latter hectic days of June passed this House by a majority of one, which was not

a majority in fact, and that therefore the House had pronounced the position of the new government to be unconstitutional and illegal—a judgment of a divided House which I think does not appeal either to the legal or the constitutional views of the great majority of the members in this House, or of the people in the country; I say if there is any doubt, when we come to pass the supplementary estimates, let the Prime Minister leave aside any single expenditure made by the late government which he deems as an exemplification of the view which he has expressed, and let him go to the courts of this country to procure a decision of that issue. In recent years we have had in this House many expressions of opinion from the opposite side, and even I think from the Prime Minister himself, that in legal matters there should be a judicial decision and not a political decision by the members of this House. I therefore ask him to assert the same dictum now. Let him take any item he may please and have the courts of this country decide whether the Right Hon. Arthur Meighen and his colleagues acted illegally and unconstitutionally in the expenditures they made during their term of office.

But if I may make one other passing reference to the hectic days of last June, I do think that the Prime Minister might have still further elucidated his own position in this House at the time that he went to the office of His Excellency the Governor General and asked for a dissolution without consulting parliament, and, when a dissolution was refused, resigning the high office which he then filled and leaving this country for the time being without governmental authority. I do not know what truth there is in the report, but I have noticed it in the press, and in view of its having been made and circulated I suggest to the Prime Minister that it is his bounden duty, in order that the facts may be known at no late date, to bring down to this House his own correspondence with His Excellency in the matter of his resignation when it was made in June last, because the report has been circulated from one end of the country to the other, and it is believed by many, that the Prime Minister on that occasion advised, and even urged, the Governor General to seek instructions from the colonial office as to his duty, and then His Excellency is reported to have replied to his prime minister of that day that in Canada he represented the king and the crown, and that he would make no such appeal to the colonial office. If such an event did take place, then I say the Prime Minister in June last assumed a position entirely inconsistent with that which he assumes to-day on his return from the Imperial conference at London.

Now, with regard to the address of His Excellency the Governor General and the motion which we have before us with respect to an address in reply, I find in the speech from the throne one or two matters on which I may make some comment. First, with respect to the Hudson Bay railway which interests so large a section of the country, and which is supported and approved by such a large body of the members of this House. In the address it is stated that:

It has been decided to submit the study of conditions at the port of Nelson—

—to the careful examination of an outstanding British authority on tidal and estuarial conditions affecting harbours.

I wish that that statement had been somewhat enlarged. I think it is absolutely necessary in order that public opinion throughout the length and breadth of this country may be fully informed that we should have expert reports not only upon the navigability of Port Nelson, but the navigability at all seasons of the year or during any considerable time of the year of the Hudson straits and bay. Certain hon. gentlemen seem to think, and judging from the reports of some of the political speeches which I read during the last election campaign the idea was prevalent in the west, that for selfish commercial reasons the east was opposed to the opening up of the Hudson bay to the commerce of the world. That I do not think is correct. We who were born and bred in seaport towns and villages can count among our acquaintances not only mariners of steamships but mariners of sailing ships who during the last fifty or sixty years have made more or less frequent visits through Hudson straits to Hudson bay, and the current opinion in the east is due largely to our personal intercourse and communication with such men who have been upon the spot and have seen something of the conditions which prevail in that region. I myself have made one trip, not through the Hudson straits but in its proximity up along the northern Labrador coast, and it gave me certain pessimistic impressions. Possibly not being an expert I may be told those impressions were erroneous. This I do say, that if it can be established clearly and definitely that Hudson strait and Hudson bay are navigable for any considerable period of time during consecutive months of the year; if it can be shown with a degree of reasonable definiteness that that port may be opened up to afford cheaper freight rates

for the products of the west to Europe and for the products of Europe to the middle west; then many of the objections which prevail in the east would be entirely removed. The attitude of the east is not one of hostility to the west. We know that our prosperity, such as it is, depends to a certain extent upon the west being prosperous, and any new route that may be opened, any improved conditions of transportation that may be found which will open up the west and give the people there swifter and cheaper transportation to the markets of the world, will, I am sure, receive a large measure of approval in the eastern sections of this country.

With regard to the ordinary business of parliament, the same bills will be introduced which were discussed last year, and with regard to these I have no comment to make at present. Regarding one other matter which is not mentioned, but which is of very considerable interest to a large proportion of the electorate, namely, the constitutionality of the Alberta Act of 1905 which is to be referred to the courts for a clear decision, all I suggest is that when that reference is made it should be made as comprehensive as possible so as not only to elicit a judicial determination of the meaning and intent of the clauses of the Alberta Act of 1905 dealing with school funds, but also to secure a definite opinion from the courts as to the meaning and intent of the Dominion Lands Act of 1908, and as to how far the enactment of that measure, after the passage of the Alberta Act of 1905, affected the powers of the governments of Alberta and Saskatchewan in respect of the distribution of those school funds. I do not pretend to represent a large body of opinion in this country, but so far as I am acquainted with the opinion which does prevail the desire of those who are most interested in the Alberta school question is this, and this only, that under the guise of transferring natural resources of Alberta to the Alberta government, no new rights should be created either for the Protestant minority or for the Catholic minority. They are equally anxious that the old rights which are assured to them by particular clauses of the Alberta Act of 1905, and by similar clauses in the Saskatchewan Act of 1905, should not be abrogated nor diminished indirectly under the guise of transferring the natural resources to either of those provinces. These minorities wish to remain as they are and they are quite willing that the courts should determine what, if any, minority rights subsist to-day, with a view to having those rights preserved and not increased, and with this further object in view, that if the existing minority rights are to be prejudiced or limited or abrogated, it should be done by direct action on the part of parliament so that there may be a full and clear discussion as to the merits of the case.

There is also in the speech from the throne a reference to the report of the so called Duncan commission. I do not intend to enter at length upon any discussion of that report. I regard it as a mere incident in the assertion by the maritime provinces of certain rights and interests which they think and believe appertain to them. The real problem, the real matter for discussion, will come up when the legislation promised by the Prime Minister (Mr. Mackenzie King) is brought down for consideration in this House. Then and then only, when that legislation is laid before the House, may we determine whether the agitation leading to and the work of the Duncan commission have been successful or not. For my own part, therefore, I reserve decision until the proper measures are brought down. But having been born and bred in one of those provinces by the sea I do believe that all parties in this House including, I hope, some hon. gentlemen who are living now in western Canada and who received their education and training in the maritimes, will consider with sympathetic minds whether that irritating sore which does exist in those provinces should not be healed, however great the price, if that price is within the reasonable limits of the competency of this parliament. I do not agree with some who think that the highest political destiny of the maritime provinces was not bound up with that of the other provinces of Canada. If I were again living there and the matter were to come up anew I would say to the people of the maritimes: "Your highest and best political destiny is to be worked out in association, and only in association, with the other provinces of this great country."

I came of a family whose modest way of living was equal to that of any other family in our surroundings, and I may say that the standard of living in that day was not as high as the standard of living in Nova Scotia at the present time. There is more of comfort and well-being in Nova Scotia to-day than there was in the sixties or seventies. But those provinces have not made an advance commensurate with the progress achieved by the other older provinces, and especially by the western provinces to which the maritimes gave so much, and for the development of which, I repeat—I hope the expression is not an unpleasant one—they

made so many sacrifices in the early days. It sometimes seems to me that one of the greatest gifts from the maritimes to their fellow-Canadians is that men trained in the legal, engineering and other professions, or even as farm labourers, have left those communities for the west and assisted those coming from the old country to our Canadian west in establishing those three great prairie provinces on a basis of sound constitutional government and respect for English law and English institutions; they have given of their best endeavours to build up the west. Scotland has done the same thing; her sons have been dispersed throughout the whole British Empire.

Then there is another cause. I remember from my boyhood days that the county of Yarmouth, in which I was born, owned more shipping per capita sailing the seven seas than did any other part of the world. But with the coming of steamships that shipping has disappeared, and there has been no other industry to take its place. There have been many things detrimental to the progress and prosperity of these provinces, but I do believe that this parliament as a whole will give its most careful and favourable consideration to any measures of relief which may be brought before it in the hope of mitigating some of the grievances to which these provinces are subject.

With respect to the Imperial conference, one cannot understand the real position without reflecting somewhat upon the conditions which have prevailed in recent years, dealing with not only inter-imperial relations but also with the relations between the dominions of the empire and foreign states. The British Empire consists on the one hand of Great Britain with her vast aggregation of colonies and possessions which are directly under the supervision, the direction and in a large measure the control of the British government. Then there is India, which is only partially autonomous, for which in recent years the Morley-Minto scheme, the Montagu-Chelmsford reform scheme, and finally in 1919 the Government of India Act, have provided for a certain measure of self-government for that country, possibly placing it in a position leading to ultimate complete self-government. Then we have the six dominions of Canada, Australia, New Zealand, Newfoundland, the Irish Free State, and South Africa, all of which with the exception of Newfoundland are members of the League of Nations. The constitutional developments of recent years have tended more and more to distinguish between these six dominions and the dependencies of the British Crown to which I have referred, and in my own opinion —and I think in the opinion of all—the survival of the British Empire depends upon the continuous co-operation of all the parts in carrying out the common ideals which constitute the standard of possible attainment. These common ideals have not yet fully developed; they have not yet been fully proved, and it is possible that the basis of cordial co-operation has not yet been fully attained. So it must remain the duty and responsibility of this generation of Canadians, and of every succeeding generation, to make its contribution, however meagre, to the living growth of our national life, and to the slow but sure development of our political institutions.

There has been in recent years a more constant development in the direction of a more direct and extended consultation between Great Britain and the dominions. This is no novel method. As far back as the days before the declaration of the independence of the United States, Edmund Burke was for years the agent in London of the state of New York, in direct communication with the British government, while from time to time the state of Pennsylvania sent Benjamin Franklin to London as a special commissioner to adjust matters with the British government. Our older British colonies did the same thing, and were so represented at intervals. In 1880 we sent a high commissioner to London for the first time to provide a source of information between this country and the British government, and although it is sometimes said that our successive high commissioners at London have been somewhat estranged from the ideals of this country, and that in the atmosphere of London they did not clearly apprehend the views of the people they represented, yet I think it is the opinion in this country that without exception our high commissioners have represented Canada in a manner that merits approval for themselves, and in such a way as to facilitate the development of a better feeling of goodwill between this Canada of ours and the mother country in which they were our representatives. I think on the whole they have faithfully and efficiently performed their duties.

Then we have had the development of the Imperial conference, and, as the leader of the opposition stated, we have had this development through various phases during the war down to the recent conferences of 1923 and 1926. But it is clear that in recent years there has not been any overt attempt on the part of the British government to restrain or restrict in any particular the absolute authority of the several dominions in the administration of their domestic affairs. It is

suggested in the press—I do not know whether the Prime Minister himself would suggest it—that the result of the deliberations of the latest Imperial conference is to proclaim a new Magna Charta for the British Empire, but I think the circumstances under which the original Magna Charta was granted were so entirely different that the use of the term tends to a complete misunderstanding of the atmosphere of the recent conference. The Magna Charta of King John was a demand for the head of the sovereign, unless the concessions demanded should be made. There has been no strife between these dominions and the British Crown or the British government; they have ungrudgingly and graciously acceded from year to year to almost every suggestion made by the representatives of the dominions. For several years, however, two divergent tendencies have been manifest in the direction and control of our relations with foreign states, that is, the direction and control of the relations of this dominion in reference to foreign states. Gradually in commercial negotiations, beginning as far back as when Sir John A. Macdonald represented Canada at the Washington treaty; later when Sir Charles Tupper represented Canada at Washington in the negotiation of the Fisheries treaty, and more recently when Mr. Fielding represented Canada in the negotiation of the commercial treaty with France, we have requested and have been granted the authority to deal in commercial matters and with respect to commercial treaties with all foreign states. But in respect of foreign policy there is still a marked divergence. Claims hitherto made to consultation in matters of common interest have asserted for the Dominion a measure of equality, but only a measure of equality with respect to Great Britain; and such consultation, which is largely dependent upon continued good will can certainly be promoted, to a very large extent, by careful and timely extension or development of the existing machinery of what I may call well-lubricated intercourse and communication. As to this there have been really no wide differences of opinion between the successive governments of Canada and the government of Great Britain. But dominion claims to independent action in foreign affairs imply a demand for equality of status with independent foreign states. That concession is not one for Great Britain to make, and it is one which up to this time no foreign state has ever made. I do not need to go into the particulars but even France, and more recently the United States, have shown very great reluctance indeed to concede to us, as a dominion, equality of status in dealing with them as independent foreign states. The implications of this tendency of the dominions to assert independent political action were recognized in Lord Ripon's despatch of 1895, when he was Secretary of State for the Colonies. He then stated the implications which I think continue down to this day. He said:

> A foreign power, can only be approached through Her Majesty's representative, and any agreement entered into with it, affecting any part of Her Majesty's dominions, is an agreement between Her Majesty and the sovereign of the foreign state, and it is through Her Majesty's government that the foreign state would apply, in case of any question arising under it.
>
> To give to the colonies the power of negotiating treaties for themselves without reference to Her Majesty's government would be to give them an international status as separate and sovereign states, and would be equivalent to breaking up the empire into a number of independent states.

I am reading from the Parliamentary Papers of 1895, C. 7824. And again, particularly in the London conferences of 1907 and 1911, the view has been emphatically expressed by many representatives of the dominions, as well as by representatives of the British government, that the empire must be one from the point of view of its political treaty relations with all foreign states. We all remember Mr. Balfour's dictum, I think it was at the conference in 1911, that Great Britain could not share with the dominions the direction and control of foreign policy; and even to-day Great Britain, with her far-flung empire—dealing if you will and restricting the application of your words to her possessions, her colonies, outside of the dominions—touches a foreign state at every point of the seven seas, and she must have and exercise a large power of direction and control in dealing with all foreign countries whose interests are adverse to hers or to the empire of which she forms a part.

The imperial resolutions of 1923, which were submitted by the Prime Minister to this House for confirmation, contemplated two types of international agreement in some of which only one part and in others more than one part of the empire is concerned, and the procedure in detail was prescribed for the negotiation of these two types of treaties. That procedure was formally ratified by this House. But it is significant, I think, of the incompleteness of the work of successive Imperial conferences that the conference of 1926 has, in my opinion, apparently modified

very considerably in very essential particulars the procedure prescribed in 1923 and ratified by this parliament last year; and it leads to the reflection that one may sincerely doubt whether the political and social engagements of the representatives of the dominions at any hurried meeting of the Imperial conference will conduce to that careful consideration and comprehensive expression of inter-imperial relationships which is necessary in order that they may be clearly studied, understood and expressed. And one may also doubt, I think, whether the representation of the dominion by party leaders only at any such Imperial conference, as suggested by the leader of the opposition, may be deemed to be binding upon the judgment and conscience of the whole body of the electorate of this country. If we are to have Imperial conferences called for the purpose of formulating a more complete code, and defining in more explicit terms inter-imperial relations and the relations of each dominion to foreign states, while the Prime Minister of the country undoubtedly must have an effective voice, yet for the preservation of domestic unity in dealing with foreign states, and in furtherance of the desire shared by all to preserve the unity of the empire to which we belong, provision should be made for the representation at such conferences of the views of opposing groups and parties in this country.

To resume, it was, I think, distinctly affirmed by the resolution of 1923 that Canada, as well as the other five dominions, had acquired a constitutional right to accept or to be excluded from the operation of treaties negotiated by the government of Great Britain which would otherwise directly affect Canada's international obligations and interests, and it was affirmed by the Canadian parliament at its last session that the Canadian government should signify its acceptance of the terms of any such treaty only upon the authority of a resolution formally presented to and accepted by the Canadian parliament. I think that is, perhaps, a fair resumé or epitome of those resolutions of last year.

One thing occurred to me in reading this report of the Imperial conference. I have had considerable experience in various parts of the world in drafting complicated agreements and contracts where large interests were concerned, and where I met around the table lawyers of other countries and of other languages I always found it very convenient indeed to ask opposing counsel to make the first draft of the proposed agreement, because when they did it with carefulness they disclosed on the very face of the draft contract all those matters for which their clients were really contending, and my duty then was, if my clients would not accede to their extreme demands, to use such intelligence as I had to bring about modifications by way of addenda, parentheses and amending conditions, so as to remove or ameliorate all the burdensome conditions imposed by opposing counsel. Now when I read this draft report, I think it is clear that there were what you might call some rather extreme demands made by the representatives of one or more of the dominions—of course, I accept fully the statement of the Prime Minister that he expressed no grievances and made no extreme demands—and those extreme demands are granted, or are seemingly granted, by the terms of this report through the expression of certain well-known platitudes with respect to the autonomy of the dominions. We have such statements, for instance, as that declaring that the dominions are:

> —autonomous communities within the British Empire, equal in status, in no way subordinate one to another in any aspect of their domestic or external affairs, though united by a common allegiance to the crown, and freely associated as members of the British commonwealth of nations.

Again, the report says:

> Though every dominion is now, and must always remain, the sole judge of the nature and extent of its co-operation, no common cause will, in our opinion, be thereby imperilled.

Now that conveys to my mind that some draftsman, perhaps an astute English draftsman, conceded the idea that the dominions are autonomous, with equality of status, but insisted nevertheless that, being partners in the empire, there are certain implied duties and obligations to which we are expected to respond. I can picture to my mind the smile of satisfaction which might have fluttered over the face of two such astute draftsmen as Lord Birkenhead or Lord Balfour, two of the most astute political strategists that the recent political life of England has produced, when they witnessed the drafting and acceptation of the latter clause. For do not such clauses as those implicitly, and yet emphatically, declare that we are partners in the empire, equal in status, if you will, participating as citizens of that empire in the advantages and privileges, —world-extended privileges—which accrue to the position and power of membership in the empire; yet, they express by implication that by moral obligation, by the precepts of common and equity law, we, as such partners, equal in status, are in fact morally bound, by the very implications of the contract, to

share in the international obligations of the empire and in the liabilities imposed by such obligations to the extent of our resources; and though, as it is stated in another clause, we are the sole judges of the nature and extent of our co-operation, yet the declaration as to our status is made by the representatives of Great Britain, I believe, in the abiding faith and confidence that no common cause will be imperilled by the lack of our support. That is their attitude, and that is the basis on which they concede these matters of constitutional right, rights which have been recognized throughout all recent years. If you look beyond the mere platitudes to the obvious restrictions and modifications inserted in this report, I do not think that you could find a more emphatic declaration of imperial solidarity than is contained in certain of the implications of this new covenant which is about to be presented to us for our acceptance.

Note one thing, which has not been published in the press so far as it has come under my observation. We are presented with certain constitutional aspects of this one report, but there were other reports adopted by this conference, and one of these reports, I find, contains a resolution on the matter of defence, as follows:

1. The resolutions on defence adopted at the last session of the conference are re-affirmed.

Then this resolution of 1926 makes reference to a paragraph showing what was the nature of the resolutions which were accepted at the Imperial conference of 1923, resolutions that it was not deemed advisable, perhaps by oversight or otherwise, to submit to this parliament for ratification. We had submitted to us, at the last session of the last parliament, certain matters of privilege accruing to us with respect to the negotiation of treaties, but this other resolution of 1923, which was re-affirmed in 1926, has never been submitted to us for ratification; I am speaking within my own recollection when I say that. That resolution reads as follows:

1. The conference affirms that it is necessary to provide for the adequate defence of the territories and trade of the several countries comprising the British Empire.

And then, going on as to how that defence is to be provided, it says:

The conference suggests the following as guiding principles:

(a) The primary responsibility of each portion of the empire represented at the conference for its own local defence.

(b) Adequate provision for safeguarding the maritime communications of the several parts of the empire and the routes and waterways along and through which their armed forces and trade pass.

(c) The provision of naval bases and facilities for repair and fuel so as to ensure the mobility of the fleets.

(d) The desirability of the maintenance of a minimum standard of naval strength, namely, equality with the naval strength of any foreign power, in accordance with the provisions of the Washington treaty on limitation of armament, as approved by Great Britain, all the self-governing dominions, and India.

So I can well understand that British statesmen would agree to an expression of certain so-called constitutional rights, long since acquired and developed from year to year in constitutional practice, because they received a quid pro quo, the implications of which are enormous in extent, in that they imply the solidarity of the British Empire and the moral responsibility upon each and every dominion to make every sacrifice to the extent of its power and resources, in order to maintain the empire's defence throughout all succeeding years. If we are to have this Imperial conference report of 1926 submitted to parliament, let us have both sides of the shield, so that we may clearly and distinctly understand the obligations which this parliament is asked to undertake on behalf of this generation of Canadians and other generations yet to come.

There has been a reference in this report to the Locarno treaty. We have never had that treaty submitted to us for approval or discussion. Some calls were made, I think, incidentally, for the submission of the treaty during the last parliament. but it was a matter entirely within the discretion of the Prime Minister and his colleagues in the government, and they decided to withhold that treaty from discussion, or any pertinent or relevant discussion that could affect the question of Canada's acceptance or rejection of its terms. This Imperial conference report in its reference to the Locarno treaty is rather ambiguous in its terms, and I would be gratified, before that report is finally accepted, to have from the Prime Minister a clear and complete expression of the extent to which the acceptance of the report of the Imperial conference dealing with the Locarno treaty imposes moral obligations upon us. I see in the press to-day a despatch from London which reads:

London, Dec. 13.—Lieut.-Colonel L. C. Amery, Secretary of State for Dominion Affairs, answering a question in the House of Commons to-day as to whether any of the British dominions were now associated with Great Britain in her responsibilities under the Locarno treaty, said that if the questioner meant the assumption of obligations under the article in the treaty dealing with mutual guarantees, the answer would be in the negative. However, he

referred the questioner to the unanimous approval of the Locarno treaty by the Imperial conference.

The questioner declared that the resolution passed by the Imperial conference on the recommendation of the Premiers' committee on Inter-imperial relations had no solid meaning, and he asked if Colonel Amery had made any representations to Sir Austen Chamberlain, Foreign Secretary, to the effect that Great Britain should not be left isolated in this way.

Colonel Amery replied that he thought the resolution of the Imperial conference expressing satisfaction with the foreign policy of His Majesty's government was a solid contribution.

Leaving the matter there, I invite at a later date an expression of opinion from the leader of the government as to what is the extent and nature of that solid contribution which we are to give in respect to the Locarno treaty, which has never yet been submitted to this House for ratification or approval.

Now, furthermore, the report of the Imperial relations committee of this latest Imperial conference, speaking in regard to the negotiation of treaties states:

When a government has received information of the intention of any other government to conduct negotiations it is incumbent upon it to indicate its attitude with reasonable promptitude. So long as the initiating government receives no adverse comments, and so long as its policy involves no active obligations on the part of other governments, it may proceed on the assumption that its policy is generally acceptable. It must, however, before taking any steps which might involve other governments in any active obligations, obtain their definite assent.

And then it proceeds:

Where by the nature of a treaty it is desirable that it should be ratified on behalf of all the governments of the empire the initiating government may assume that the government which has had full opportunity of indicating its attitude, and has made no adverse comments, will concur in the ratification of the treaty.

Applying this declaration to the negotiation of treaties by the government of Great Britain, then when the government of Canada has received notice of the intention of the government of Great Britain to conduct negotiations with Germany or France, or with any other foreign state, though the treaty to be consummated many affect the rights and interests of British citizens wherever domiciled, or British shipping or other property, belonging to Canadian citizens, wherever located, the government of Great Britain, in the absence of adverse comments from the Canadian government, may assume that its policy is acceptable to Canada, and that the government of Canada, having made no adverse comments, is morally and in good faith bound to concur in the ratification of the treaty so negotiated.

[Mr. Cahan.]

Such treaties may involve the rights and privileges of Canadian citizens in any part of the world, outside the British Empire. We as Canadian citizens have rights guaranteed to us by the British constitution in every part of the world to which we go, as citizens of the British Empire, rights which guarantee to us certain respectful treatment under the Union Jack wherever it flies throughout the British Empire, or wherever it flies on the seven seas, or on the coasts of any foreign state. Those rights and privileges which we enjoy as British citizens throughout the world should not be easily sacrificed, and should not be compromised readily without very clear and careful consideration as to the effects involved. We recall the declaration of the Prime Minister at the last session of parliament that hereafter no British treaty is to be binding upon Canada, unless it received the ratification of the Canadian government, and we by express resolution of parliament declared that no consent or approval or ratification should be expressed by the Canadian government, except upon the authority of parliament itself; yet we find in this new document the possibility that some default, on the part of the Prime Minister or the Minister of External Affairs of Canada, in making adverse comments on any treaty, may result in imposing that treaty upon us, we being morally bound to accept it, simply because one department of this government, through inadvertance or otherwise, fails in the performance of its duty. I find it impossible to reconcile that with the resolution passed by this House last session. Then we have this statement:

Every governing member of the empire is master of its destiny.

I can accept that with modification and restriction. As a platitude for the public platform it is well enough. But as a statement of constitutional right it requires many modifications and restrictions in its application. In a restricted sense Canada is mistress of her own political destiny; but the very existence of Canada as a political entity depends upon keeping inviolate the understandings and conventions embodied in our own constitution with respect to the rights and interests of certain racial and religious minorities, with respect to the rights of certain provinces, such as the provinces by the sea, which have a representation in the Senate that is valuable for the preservation of their specific interests, and with respect to other matters. Those understandings and conventions must be maintained in order that we preserve the political entity and political unity of this country.

Therefore I am driven back to the assumption that when the Prime Minister was giving countenance to that broad statement, it was not his intention thereby to abrogate the provisions of the British North America Act, which is a statute of the Imperial parliament defining the minority and other provincial rights to which we had agreed by convention and arrangement upon the organization of the provinces of Canada into one great confederation. If there is equality of status, perhaps I may add another term to the definition which was given by the leader of the opposition (Mr. Guthrie). Equality of status may mean that the Canadian parliament cannot of its own volition override acts of the Imperial parliament; and it may mean, just as it has meant since confederation was formed, that in the last analysis the Imperial parliament has a deciding voice in respect to the nature and extent of the amendments to the British North America Act which are sought by the Canadian parliament or by the provinces of Canada. If in order to achieve our national destiny we wish to abolish the rights of any province, or if we wish otherwise to modify our own constitution, I think we will be driven back upon the old procedure of asking the Imperial parliament to ratify a new agreement, concurred in not only by the Senate and House of Commons of Canada, but concurred in also by the provincial legislatures of Canada in so far as their special rights and interests might be affected.

Now, the definition of the office of Governor General and of his status does not give validity to one contention of the Prime Minister advanced during the recent elections. I understood, without quoting his exact words, that not only in this House in the last days of June, but throughout this country on the platform, he expressed the contention that the life and independence of this very parliament in which we sit may be determined, by the sole and arbitrary will of the prime minister in the exercise of his sole and arbitrary discretion, by the advice which he shall give on each and every occasion and under each and every condition to His Excellency respecting the dissolution of parliament. That I understand to be the new constitutional principle which he announced on the eve of the last election, and on which he sought the verdict of the people. All I can say to that is this. We do not wish, I think, to create a new master; we do not wish that a prime minister representing either party should be invested with such arbitrary power that, whenever his policy meets with the disapprobation of parliament, he can thereupon destroy its very life and hold possible dissolution, at his discretion, as a weapon of blackmail over the heads of the independent members of this House of Commons. If that new principle is to be introduced into the constitution of this country, it should not be introduced by mere platform utterances or in the confusion of a general election; but first, at least, it should be introduced as a rule and principle to guide His Excellency in the matter of dissolution, a rule and principle that should be submitted to parliament itself, and first be approved of by the members of parliament. I do not think that either the House or the country will vest the prime minister with an arbitrary power that has never existed in English history since the days of Cromwell.

I will not take any more time, Mr. Speaker, but there are other very important matters which the members of the Imperial conference, in their wise discretion, have left for further consideration by committees of the Imperial conference and, I suppose, by their respective governments. These are:

1. The details of methods and forms of communication and consultation between the British government and the governments of the dominions;

2. The scope and application of the Colonial Laws Validity Act;

3. The right of each dominion to legislate with extra-territorial effect, or to give extra-territorial operation to its existing legislation;

4. The scope and application of Imperial Shipping Acts to Canadian shipping and Canadian seamen;

5. The status of Canadian shipping and Canadian seamen and citizens in the event of Great Britain being involved in foreign wars in which Canada may refuse actively to participate;

6. The restriction of appeals to the Judicial Committee of the Privy Council in criminal as well as civil matters;

7. The confusion that may arise by reason of conventions or treaties made by His Majesty on behalf of two or more parts of the empire, which are more or less inconsistent in their terms;

And this is very important:

8. The responsibility of Great Britain with respect to the enforcement of treaties made by His Majesty on behalf of a dominion government, which the foreign state may repudiate or refuse to carry out;

9. The obligations, moral or otherwise, of the dominions as members of the League of Nations, with respect to the treaty of Locarno.

These are not defined.

10. The reservation of dominion legislation.

All these, thank Providence, are left for further consideration and discussion.

Therefore, Mr. Speaker, I think we may express our grateful appreciation of the services of the Prime Minister in London, and

particularly our appreciation of the fact that the great body of these intricate questions have been left, as they have been left ever since Canada was formed, to the consideration of the governments of the respective dominions when particular events arise demanding discussion and decision. And I think, in spite of the concession of this "great charter," we will go on and preserve the unity of the empire chiefly by dealing with events only as they arise, after consultation, with goodwill, being ever anxious to conciliate and adopt so far as we can the views of other sister dominions and of Great Britain herself, all to the end of preserving the unity of the British Empire, upon which the peace of this world for years to come must so largely depend.

Mr. ROBERT GARDINER (Acadia): Before I discuss the speech from the throne I desire to congratulate you, Mr. Speaker, on being re-elected to the chair. I am quite sure that with your past experience you will be able to perform your duties with dignity and impartiality, and I have no doubt that all hon. gentlemen will join in wishing you every success in your office. I desire also to congratulate the hon. member for South Wellington (Mr. Guthrie) on the position to which he has been elevated. We realize, of course, that he now holds a very important position and an onerous one. I listened to him yesterday with a good deal of satisfaction in that his address was most modest in its tone, and because of that fact he is perhaps an improvement upon leaders recently occupying the position in this House. I had not the privilege of hearing the mover and seconder of the address and so I am unable at the moment to compliment them upon their efforts, but I trust that I shall have ample time to read the report of their remarks and later on to congratulate them personally. I have been told that they made splendid presentations and I shall certainly take occasion in due course to offer them congratulations.

Two of the most important addresses in this House have concerned themselves more particularly with the conference recently held in London. I understand that time will be afforded the House to discuss later on the results of that conference, and therefore I do not propose to inflict upon hon. members at this time any remarks in that regard except to observe incidentally that I trust, as no doubt other hon. members do, that the efforts of our delegates representing Canada and this House at the conference have been successful.

It has been customary since I have been a member of this House to discuss election results on the meeting of a new parliament. For some peculiar reason nothing has been said up to the present moment in regard to the recent election. Everyone remembers no doubt the situation that developed during the last session. A special committee was appointed to inquire into the conduct of the Department of Customs and Excise. This committee divulged certain facts which were taken into consideration by the House, and our Conservative friends when parliament dissolved felt they had a sure election cry. They expected to come back in sufficient numbers to control the government. This has not happened. Why? We cannot for a moment suppose that the people of Canada did not take into account the revelations that were made by the committee; we cannot help assuming that these disclosures were considered. There must therefore have been something besides the report of the Customs committee which the people took into consideration when they cast their ballots at the last general election. I have discussed the question with many people in many walks of life, and I can say quite emphatically that, generally speaking, the people were influenced more by the legislative program of the last session and by the budget which was brought down than they were by the results of the Customs inquiry. That program and that budget had, in my opinion, more to do with the outcome of the election than had the inquiry. On many occasions I have listened to members of this House referring to the great leaders of the two old parties in the past. We have all heard hon. gentlemen declaring their acceptance of the principles laid down by Sir John A. Macdonald or Sir Wilfrid Laurier, as the case might be. I have often been astonished that men with any intelligence should speak in that manner of the political leaders of the two old parties in decades gone by. No doubt these were great men and they had great problems to face. But let us remember that those problems were incident to that day and the problems of that time are not the problems of our generation. Consequently any government that wishes to remain in power in this country for any length of time will have to apply itself to present problems rather than lean upon its predecessors.

Coming to the speech from the throne, it seems to me that in some particulars it is very indefinite; I will mention the points as I go along. However, taking it as a whole, I may congratulate the government upon the general content of the speech. We view with a great deal of pleasure the fact that the gov-

ernment intends to introduce the measures that were passed last session but which did not become law, which measures I feel will naturally go through without any great discussion or any waste of time. The most important measures passed last session, in which we are more particularly interested, include rural credits, which is a matter of great urgency. We regret the circumstances which have kept this legislation in abeyance, and we hope that it will eventually become law and so prove of great benefit to the agricultural sections of the country. There is also the legislation dealing with the revaluation of soldier settlers' lands. This is an important piece of legislation and it is absolutely essential that it be pressed through the House as soon as possible in order to afford relief to those men who fought so valiantly for us but who find themselves to-day in a condition so onerous that it is almost impossible for them to stay on the land.

Another important measure is the old age pensions bill which I am glad to see the government proposes reintroducing. True, this particular measure is not of great magnitude; it only begins to touch the question. But to the extent that the government are making an effort to deal with the matter, we should give them our support. I notice also in the speech that the government purpose re-establishing the special committee for the revision of the rules of the House. Those of us who have been members of parliament for any length of time realize that the rules must be amended in some particulars to allow the business of the House to be carried on more expeditiously. When there were only two parties the rules were probably adequate, but with the advent of several parties and groups the situation has altogether changed and consequently the rules should be revised and brought up to date to meet present conditions and to facilitate the passage of legislation.

One of the items in the speech which I consider very indefinite and in respect of which I purpose reserving judgment is that dealing with the coking of Canadian coal. We have no intimation as to how far the government propose to go in this direction. Possibly they have in mind the coal situation in Nova Scotia, but I would remind the House that for decades past, industries in that province have received bounties and subsidies by the million, which bounties and subsidies have only made millionaires of a few people while they have impoverished the many. We therefore reserve our judgment in that regard, waiting with patience for the proposals of the government.

Dealing with the situation which this brings to our minds, that is, the maritime situation, there is one thought which I would like to impress upon this House. Before we start to tamper with this great problem, let us first of all be sure of our ground, and then let us be sure that whatever action we may take will be all-sufficient to meet the conditions as they exist in the maritime provinces. I do not believe we should deal with this problem in a piecemeal manner; we should do it thoroughly, and it will be more effective. When the report of the Duncan commission comes before the House I trust that we will be in a position to offer some constructive suggestions in that regard.

I also notice that the government propose to make some amendments to the Canada Grain Act. These amendments are not set out in the speech from the throne, of course, but I presume that one amendment likely to be brought forward will deal with the property rights of the farmer in respect to the routing and the destination of his grain. Hon. members will remember that two years ago we passed a new Canada Grain Act in which certain amendments were included which deprived the farmer of his property rights in routing the grain to a terminal of his own choosing. I opposed that amendment when the bill was before the House, and I oppose the situation as it is to-day. You cannot deprive any large class, such as the agricultural class, of their property rights without at the same time opening the door for the demand that other classes be deprived of such rights also, and therefore it is very important that the property rights of farmers in the routing of their grain should be restored at the earliest possible moment. If that right is not restored, we will have the situation in Canada of one class being deprived of certain rights while other classes are not so deprived.

There is still another matter touching the grain situation which is very important, and I must confess that we are looking for some way out of the difficulty. Under the Grain Act it is determined how our grain shall be graded, and the certificates of the inspection department are very important. In recent years we have enlarged our inspection system through the creation of new inspection points, and as a result we find that with the larger number of points where grain is inspected, the dissatisfaction of the farmer in regard to the grading has increased to a large extent. It seems unfortunate that such should be the case, but most farmers to-day feel that they can get a better grade for their grain by allowing it to go through Winnipeg and be inspected at that point. The point I desire

more particularly to emphasize, however, has regard to the moisture content of the grain. This is a very important matter, and it has become very important to western farmers particularly during the last two years, because of weather conditions. If the House will bear with me for a few moments I will explain the situation. Grain may be given a straight grade provided it does not contain too much moisture. We have nothing in the Canada Grain Act; we have no order in council and no regulation of the Board of Grain Commissioners which determines the percentage of moisture which is allowed in straight grade grain. We have always understood that fourteen per cent was supposed to be the maximum moisture content for straight grade grain, but we found on examination and inquiry that there was no regulation or order in council in force which stipulated that particular percentage. During the last session of parliament we had several interviews with the Board of Grain Commissioners, and when we inquired of them as to how they determined whether or not grain was straight grade in so far as the moisture content was concerned, the chief inspector and the chairman of the appeal board stated that it was determined merely by the inspector feeling the grain, and if in his opinion the grain was fit for warehousing, it went as straight grade. If on the other hand he determined that the grain was not fit for warehousing, it would be graded as rejected, and consequently there would be quite a difference in the price paid. We also received the information from the commissioners that in some years the natural moisture content of grain was much higher than in others; the chairman of the appeal board went so far as to say that in some years the average moisture content ran close to fifteen per cent, and yet that grain would go as straight grade and consequently would be fit for warehousing. The situation to-day seems to be that it is almost impossible for us to set a definite percentage of moisture content for straight grade grain, because of the varying climatic conditions from year to year. Some remedy must be found in order to satisfy the producers of this grain. I noticed a press report some time ago wherein the Board of Grain Commissioners stated that when grain was tested for its moisture content by the appliances at their disposal, anything over 14.4 per cent would go as damp or rejected, yet in the same despatch I noticed that the Board of Grain Commissioners stated that any grain with less than 15 per cent moisture content would be put into storage. Naturally we want to know the reason for the difference.

If it is possible for the Board of Grain Commissioners or the elevator companies to store grain with a moisture content of less than 15 per cent that grain should evidently go as straight grade. The only remark I wish to make in that connection is that when the Board of Grain Commissioners hand out these rulings, it would be well for them to explain the reasons for them, so that the farmer who produces the grain will know the intentions of the board in that regard. The information they give out is so meagre that the suspicions of the farmer are immediately aroused, and consequently he feels that he is not receiving fair treatment. I hope, however, that the government will give us an opportunity to make representations to them when the question of these amendments comes up.

I now come, Mr. Speaker, to the question of railways. The first point I wish to discuss in regard to the railway situation is with reference to the Hudson Bay railway. We note with a good deal of pleasure that it is the intention of the government to finish the construction of this line, so I hope that at no far distant date steel will be laid to the bay. We believe that this railway, even if it serves only for colonization purposes and to tap the ore fields in northern Manitoba, will be a success. When we come to the question of the development of the port, however, we enter into another phase of the situation altogether; and I feel that the Minister of Railways (Mr. Dunning) has probably done the right thing in securing expert advice before proceeding further. Nevertheless, I trust it is not intended to postpone the time when this port will be equipped with the necessary facilities. We receive many contradictory reports as to the feasibility of the Hudson bay route. Personally I think it is feasible, but if there is any doubt about the matter, allow me to suggest to the Minister of Railways what may provide a possible solution. We have in the Canadian Government Merchant Marine many vessels that are now being held for sale, that is to say vessels that are of no value to the marine service. Some of these vessels have been sold already at a very low price, or at a price which is insignificant when compared with what they cost the country. Would it not be possible for the government to take one of these ships and send it up into Hudson strait, the point where it is important there should be an investigation, run the vessel each summer for a certain period, and find out the exact situation in regard to ice flowing through this strait. By adopting such a plan as that we can get some authentic information, and I trust it will be of a nature

that will assist this House in determining to what extent it would be desirable to spend the country's money in the development of the harbour of Port Nelson.

Coming now to our National Railway system I believe that we all desire to congratulate the president and his officers upon the splendid financial showing made by that system last year. They have succeeded, to a wonderful degree, in reducing the deficits which have burdened the system from year to year. We hope that that increased prosperity will be maintained, more particularly in the western sections of the Dominion, and that the time will not be far distant when the Canadian National Railways will be able to meet their obligations in full.

I note in the speech from the throne the statement that the government purposes bringing in a three-year branch line programme. I think that those of us who have followed developments in that regard will admit that the last three-year programme has been a success, and it is our belief that it is a good method of carrying out new construction in so far as the National lines are concerned. But there is one point I should like to impress upon the Minister of Railways and it is this: There are many branch lines on the National system, more particularly in western Canada, that are only partly completed. These branch lines are intended to serve well populated districts in the west, and we believe that every effort should be made to complete them. Those of us who have followed the situation know very well that no railway system can make a success of branch lines that are only partially completed. For one thing they are operated under a heavier expense than they would be if the lines were finished. There is no doubt that the completion of branch lines already under way should be the first objective of the National Railway system.

The speech from the throne also intimates that it is proposed to make some arrangement with the debenture holders of the old Grand Trunk system. These debentures, I understand, were issued in perpetuity. I do not know exactly what the government's proposal is, but I can assure them that we will give it the closest possible examination. Any proposals of this character should be fair to all parties concerned, and we hope the government will be successful in adjusting the matter to the satisfaction of the House and the people of Canada as a whole.

Hon. members who sat in this House during the last four or five years will recall that we have had before us what is known as the Crowsnest pass agreement. I do not believe it is necessary for me to enter at this time into any detailed explanation of that agreement. I feel that all I need say is that it was entered into in 1897 between the then government under Sir Wilfrid Laurier and the Canadian Pacific Railway. Under the agreement certain subsidies were granted to the latter corporation in return for which they consented to a maximum rate as regards grain and grain products and certain commodities coming from eastern Canada. At that time grain rates were much lower than the maximum fixed by the agreement but the Great war brought about abnormal conditions resulting in a gradual increase of those rates until they reached the maximum agreed upon. Later on the agreement was suspended by act of parliament. In the year 1922, under another statute, it was restored in part with respect to grain and grain products originating in western Canada and going to Port Arthur and Fort William. I believe, too, that that portion of the agreement affecting commodities coming from eastern Canada was once more brought into force. Subsequently we discovered certain discrepancies as regards the rates applicable to western Canada under that agreement. That is to say certain points at a similar distance from Fort William or Port Arthur were being charged a higher rate than were points at an equal distance on the main line of the Canadian Pacific. The government of the day recognized the disability from which those producers were suffering who were paying higher rates than they should pay, and in 1925 brought in amending legislation. In such legislation that part of the Crowsnest pass agreement which dealt with maximum rates on certain commodities originating east of Fort William was abrogated. It was anticipated that when the amending legislation was passed, the railway companies would naturally apply the rates as parliament expected them to be applied, that is with fairness, and that there would be no discrimination in the application of the rates to points at a similar distance from Fort William and Port Arthur. Soon after this legislation became effective, and it went into force on the 27th of June, 1925, the Board of Railway Commissioners asked the railway companies to file a schedule of tariffs consistent with it. Up to the present time the railway companies have never filed that schedule of tariffs. They have sheltered behind this claim: They say that the rates in force are, in their judgment, neither unjust nor discriminatory, and consequently they should remain in force. The situation is

this, Mr. Speaker. On the main line of the Canadian Pacific railway these rates are in force, but on railway lines south and on railway lines north of the main line of the Canadian Pacific railway, higher rates have to be paid for a similar distance from Fort William, running from one to five cents per hundred pounds higher, and thus discriminating against those people who live on these other lines as compared with those who live on the main line of the Canadian Pacific railway.

In 1904 this parliament by legislation created the Board of Railway Commissioners. The chief function of the Board of Railway Commissioners was to administer the Railway Act, and to see that railway rates were equitable. That was the desire of parliament, but what do we find? We find that when the Board of Railway Commissioners ask the railway companies to file a schedule of rates in conformity with the legislation passed in 1925, the railway companies ignore that order. It was on the 8th day of July, 1925, that general order No. 420 was passed by the railway board, requiring the railway companies to file their schedules, but as I stated before, they have never laid their schedules before the board. The situation, then, is simply this: Our railway companies are flouting the Board of Railway Commissioners. They go even beyond that; they are flouting the authority of this parliament. We have always understood and believed that this parliament was supreme, that when it passed legislation to remedy any disabilities, its order would be supreme and be given heed to, but here we have two large railway companies practically saying to this parliament, and to the board that was created by this parliament to have jurisdiction over them: We take no notice of what you do; we shall do just as we please. I would ask this House, are we going to allow that state of affairs to continue? Is it not time that something was done to make these railway companies recognize the fact that this parliament is supreme, and that when it passes legislation, its legislation must be lived up to? We cannot for one moment admit that any large corporation in Canada can at its own sweet will do just exactly as it likes and pay no heed whatever to the legislation passed by this parliament. Therefore, I respectfully submit to the Prime Minister and to his colleagues that this situation should in some manner be remedied, and that these two railway companies should be made to understand that when this parliament passes legislation, that legislation must be lived up to by them just as much as by anybody else in this country.

There is another matter in regard to the railways that I should like to bring to the attention of the House. I have stated previously in my remarks that this House created the Board of Railway Commissioners by legislation in 1904. The membership of the board is six. Recently there has arisen a very peculiar situation on the board, which might have been anticipated because of the even number of its membership. On several important questions that have come before the board, when a decision had to be reached we have found that the board split three to three, with the unfortunate consequence that no action could be taken on these important matters where there was no majority decision by the board. We submit that that is not a proper state of things to continue, and that the board should consist of an odd number of members, whether it be five or seven.

Furthermore, we believe that western Canada is not adequately represented upon that board. In view of the fact that the three western provinces and British Columbia are very important factors in providing traffic for our railways, we submit that these four provinces should be more fully represented on the board than they are at the present time.

There is another question on which I wish to speak, which is not mentioned in the speech from the throne, and that is the income tax. The reason why I bring this matter to the attention of the House is because of a pamphlet that I hold in my hand, called The Retail Trade Review, issued by the Retail Trade Bureau of Canada. This is a national organization, and I understand that this pamphlet has been distributed from one end of Canada to the other. The article in this pamphlet is headed: The Vigorous and Aggressive Campaign Undertaken by the Retail Trade Bureau of Canada Against the Dominion Income Tax to be Continued Until the Tax is Entirely Abolished. That seems to be the purpose of this organization, the abolition of the income tax, through persuasion, or ways and means best known to themselves. Now the basic principle of all taxation has been accepted as being the ability of the person to pay, and we submit that the income tax carries out that principle fairly. The income tax takes more, of course, from those who have the greater ability to pay, and therefore we maintain that it is a fair tax.

Another reason why we support the income tax is because it is a direct tax. We believe that direct taxation is far better than indirect taxation. We believe that if we had more direct taxation the people of Canada would take more interest in public affairs in this country, would watch more closely the expenditures of their various legislative bodies, and consequently we believe that this tax has a beneficial effect all round. I wish to call the attention of the Prime Minister and his colleagues to the following paragraph in this pamphlet:

> In presenting our claims to the government a large and influential delegation waited upon the members of the cabinet on March 12, 1926, and presented a memorial setting forth our reasons for the necessity of abolishing the Dominion income tax, and we are more than pleased that the government recognized the injustice of the application of this tax and saw fit to substantially reduce it.

What I would like to ask the government is this: Is that a fair interpretation of the attitude of the government on that occasion? We realize, of course, that it is quite possible for delegations such as this to read something into the attitude of the government which the government never intended, but we would like to know from the government very definitely whether that is their attitude and whether it is their intention to gradually abolish this tax. We quite recognize the possibility of there being some inequalities in this tax, and so far as possible these inequalities should be removed. As far as the tax itself is concerned we contend the present percentage schedule should be maintained, because it is in the best interests of all concerned. In reading this particular pamphlet, I find that they stress very strongly the fact that in their opinion this income tax prevents more capital from coming into Canada. I am not satisfied for one moment that that is the case. For instance, I believe you will find that the protective tariff is more instrumental in preventing new capital coming to this country than the income tax, because the protective tariff is a tax upon new capital coming to this country. In order to demonstrate that, we must examine how capital comes into this country. In the first instance, of course, it comes in by way of a bank credit, but in the final analysis the bank credit must be followed by goods. In the final analysis the goods that are required for the purposes of production are capital and every high tariff placed on goods coming into this country is just so much of a tax on new capital coming in. I would like to refer hon. members back to the time when we had that great era of prosperity that is often spoken about, say from 1900 to 1912. That has been looked upon as the time when we had the greatest prosperity in this country, but how was that prosperity arrived at? It was arrived at because new capital was coming into Canada in the form of mortgages which were being placed upon lands which were being abandoned by the settlers.

Mr. BENNETT: And railway construction.

Mr. GARDINER: Yes, we had railway construction it is true. But if you look up the trade returns of that period you will find our imports were always greater than our exports and that substantiates the argument I advance, that when new capital comes into the country it must come in the form of goods. Therefore, I trust the government will not under any consideration think that by reducing the income tax they are going to get more new capital into the country. If the government on the other hand would reduce the tariff, more particularly on those articles which bear high protective duties, they would do more in that way to bring new capital into the country than by tampering with the income tax.

There is another circumstance I would like to draw to the attention of the House in this regard. Last year provision was made for a tariff advisory board. Many applications have come before this board, more particularly for higher protective tariffs. Judging from some reports that have appeared in the press, I understand that the board, when hearing these applications, have gone fully into the question of capitalization, and the overhead that that capitalization means to the particular business concerned. It has been reported that when the business of these particular concerns has been investigated they have invariably stated that their plants were too large for the business available, and the size of their plants has necessitated a larger overhead than otherwise would be necessary. This merely shows that in so far as the manufacturing industries are concerned, we are not very much in need of new capital, but in so far as other industries are concerned, more particularly in regard to those industries which develop our natural resources, there is a possibility that we could do with a good deal of new capital in this country. But after all that may be said about this particular question, I trust hon. members will remember that our protective tariff is a greater barrier to the inflow of new capital to the natural industries than the incidence of the income tax.

During the last session of parliament a motion was placed on the order paper dealing

with the transfer of the natural resources to the province of Alberta. For various reasons, or more particularly for one reason, this was not gone on with. It is quite true this covenant had been entered into between the federal government and the provincial government of Alberta. They were both parties to the agreement and signed it. Since the last session of parliament the government has referred the question of the validity of section 17 of the Alberta Autonomy bill of 1905 to the Supreme Court for a decision as to whether the particular clause in this section dealing with the question of denominational schools is valid or otherwise. We submit, Mr. Speaker, in all fairness to Alberta, that, in view of the fact that this matter will be decided by the Privy Council, there is no need to further withhold the natural resources from the province of Alberta, and that the natural resources should be transferred to the province, without any reference whatsoever to the school question. In all fairness to the province we believe that is the attitude the government should take. We maintain of course that by the act of 1905 the natural resources should have been transferred to the provinces at that time, but for certain considerations or for certain reasons it was not done. The sooner the natural resources are returend to the province the more expeditiously will those resources be developed. We have recognized that fact, and it has been our experience that long range administration is not very effective. Let me give you one instance, for example. All hon. members are all aware of course that certain developments are proceeding in Alberta in regard to oil. We are all aware that in certain portions of Alberta we have a large natural gas field. Arrangements have been made with certain companies to supply gas to the people of several cities in the province of Alberta. During the development for the securing of oil many gas fields have been tapped, and today millions of feet of gas are going to waste, yet in the city of Calgary, for instance, the people are paying 45 cents per 1,000 feet for gas. That situation should not be allowed to continue for any great length of time. We cannot waste a natural resource in that manner and still feel that we are looking after the interests not only of ourselves but of posterity. I am a firm believer in taking from our natural resources all that we require for our present day needs, but I am also just as firm a believer in preserving the balance for posterity, because after all we have that duty thrust upon us whether we like it or not. Taking these various factors into consideration, then, I submit that in all fairness the province of Alberta should have transferred to it these natural resources without reference to the difference of opinion with respect to the educational clauses of the act of 1905.

There is one other matter I wish to refer to and it is of importance to the province of Alberta. After the Panama canal was completed trial shipments of grain were made from our Pacific port of Vancouver. We found it to be quite feasible to ship grain by that route. Vancouver is certainly much nearer to the province of Alberta than either Fort William or Port Arthur, and naturally we desire to ship our grain by the cheapest possible route. The government of the day took into consideration the development of this port, and by legislation created a harbour commission composed of three members, charged with the responsibility of providing such appliances as are required to facilitate the passage of goods through the port. The largest single commodity going through that port at the present time is grain, and most of it is produced in the province of Alberta. In view of the situation we submit to the government that the wheat producers of Alberta should receive representation when the present vacancy on that board is filled. We would not like to see such a representative appointed as would look only after the interests of those producers and would discriminate against the interests of other shippers; but on the other hand we maintain that there is always a tendency for a commission of this description to place a higher cost upon the grain going through the port than should rightfully be levied against that commodity. Therefore we urge that it is not only in the interests of Alberta but also in the interests of Vancouver city and port that the wheat producers of Alberta who are providing the largest volume of the business going through that port should have representation on the board.

Now, Mr. Speaker, I have only one other word to say. You will remember that when you were nominated for the position of Speaker I stated that we had created many precedents at the last session of parliament, and that it was very likely we would create some further precedents at this session. I find that I am in accord with most of what is contained in the speech from the throne, but I would not care to sanction some of the items until information with respect to them is available. Now, so far as I am concerned I purpose to create another precedent. If there is a division on the speech from the throne I intend to support the government, with the understanding that the items which are now so indefinite I will be free to discuss

and even to vote against if I deem it desirable. It is an unfortunate circumstance in our parliamentary procedure that when the speech from the throne or the budget is before the House we must vote either for or against it as a whole. We all know that in either the speech from the throne or the budget there are some items that every member of the House can support, and it places such members in a very unpleasant position when they find that they must either vote in support of or against the budget or the speech from the throne, as the case may be, as a whole. We give warning to the House that we are going to take a different course. If we find there is more good than evil in the speech from the throne or in the budget, then we will support either, reserving to ourselves the right to speak or vote against anything therein contained which we think is wrong. That is the attitude we purpose to take, and I trust the House will accept this declaration in the same spirit in which it is made.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, the Prime Minister yesterday referred to the endorsation the government had received in the recent elections. Perhaps I may be permitted to say that our little group here in this corner can boast what no other group can, that we came back fifty per cent stronger—we have one member more.

Last session, owing to the fact that this side of the House was very much crowded, we took our places on the government side, stating to the House that there was no particular political significance in our change, but that there we could hear and be heard to greater advantage. This session, since there are no cross benches and there is more room on this side of the House, we are back on what is termed the "opposition" side with a number of the farmer members, with whom during the past five years we have found ourselves working in very close co-operation. But let me say that we, like the hon. members around us, do not regard ourselves as necessarily being opposed to the government; we rather would emphasize the fact that we are trying as best we may under the existing rules of the House to maintain an independent position. We are thinking in terms of legislation rather than in terms of party. We propose to support to the best of our ability good legislation from whatever source it comes, but we do not propose to give unqualified allegiance to any party irrespective of their legislative programme or of their administrative efficiency.

The desire has been expressed that we ought to expedite the business of the House, and we in our corner here have every disposition to do so. However, I feel we have a perfect right, even during the few days we are here, to discuss various matters which come before us in the speech from the throne. I might call attention to the fact that two whole days were devoted to formal functions. Surely two or three days may be devoted to a discussion of the business of the country. There is indeed some little danger that we in Ottawa may forget the real business for which we come here. I notice the newspapers announce that we are in for a brilliant social season. In connection with the coming of the Governor General the newspapers of the country sent out a despatch to the effect that Ottawa society was agog over the prospects of a social season of luncheons, dinners, teas and dances. That may be all very well for a few members here, but I would suggest that it does not particularly appeal to the large mass of the electors, our fellow citizens, who sent us here and who are living in the industrial areas or on the prairies of the west.

Our group may be small, but I venture to say that it represents a very considerable proportion of the people across the country who otherwise are not vocal. The point of view of the Labour party is somewhat different from that of the older groups and even from that of the farmers with whom we co-operate. It is true, I know, that some of the members of the older parties claim to represent labour, inasmuch as there are labour people in their constituencies. I do not at all object to their efforts to represent labour, but it is not very frequently that they press what are essentially the principles of organized labour. There are in my constituency in Winnipeg North Centre bankers who probably would agree with me in the statement that I have not during the past five years tried to represent in the House their special point of view. In the same way there are a great many members here in whose constituencies there are labour men and who represent in a general way the views current in their different communities. But these members do not come to give distinct expression to the view-point of labour in their constituencies. It is therefore our peculiar task and duty to attempt to represent labour as best we may. Sometimes I fancy it must be quite pleasant to represent a constituency composed very largely of bankers or wholesalers or manufacturers. In such a case even I might wax eloquent over the "increased prosperity of the country" and indulge in other phrases of that character. However, some of us, if we are to be true to the people who sent

us here and to the platforms on which we were elected, are forced to try to preserve the point of view of certain sections of the public that feel very differently from that section that receives the greatest publicity in our leading newspapers.

We are very glad to note that there is to be reintroduced the legislation we passed last year. In some of that legislation we have a particular interest and we would give the government full credit for having done its best during the past session to put these measures on the statute book. I would point out, however, that as a matter of fact the legislation which was of special interest to labour went by the board, as did a good deal of other legislation. It is not the law of the land. I know there was a sudden dissolution which abruptly terminated the business of the House, but I would point out that the old age pensions, amendments to the Criminal Code, and amendments to the Immigration Act actually passed the House but were rejected by the Senate. The same conditions, on the whole prevail at the present time, and I would submit very respectfully to the government that if they propose simply to reintroduce this legislation without taking some steps to ensure that it shall become the law of the land, they cannot very well hope to receive the continued support of the country. In this connection I would venture to call attention to a resolution which I have placed on the order paper and which I would commend to the attention of the government, namely, that we be permitted this year to have a special parliamentary committee to consider what changes might be made in the British North America Act, which,

—while conserving the principles of confederation, would enable us more adequately to cope with the complicated problems which now confront Canada.

It would seem to me that if the government are really in earnest—and I have no reason to believe they are not—in having old age pensions and other social legislation placed on the statute books they should not allow the second chamber to continue to have powers which enable it effectually to nullify the will of the people.

The speech, using the customary phrases, expresses gratitude for a bountiful harvest. I should like to ask what this means in terms of the enjoyment of the good things of life by the ordinary Canadian citizen. Speaking particularly for the west I would call attention to the fact that that section of Canada enjoys only a little over half of the good things it produces. A very interesting study was made a few years ago by the Department of Trade and Commerce and published by the Bureau of Statistics with regard to the economic position of the Canadian prairie provinces. The latest figures are for the year 1923 and I presume the proportions will be fairly the same to-day. In fact, if there is a more bountiful harvest at the present time, if there is a greater production on the prairies, it is quite possible that a larger proportion will be sent out of the country instead of being retained in the prairie areas. Owing to certain factors into which I need not enter to-day, it is exceedingly difficult for the statistical department to make a study of this character for the whole of Canada, but in view of our inland position on the prairies it has been possible to make a detailed investigation. Let me quote from the pamphlet:

Perhaps the outstanding result of the investigation is that it shows net exports from the prairie provinces amounting to approximately $270,000,000, whilst imports into this area were approximately $145,000,000. The "favourable" trade balance of this section of Canada was, therefore, in the neighbourhood of $125,000,000.

Now, we may have had a bountiful harvest in the west, but the point to which I would call attention is that the greater part of that harvest or its money equivalent goes out of the country altogether and that we are left in the west to enjoy only a part of the fruits of our labour. Let me ask, where does this $125,000,000 go? That is what is known as the "favourable" balance, though indeed I do not know why it should be a favourable thing for us to send more out than we get in. I have never been able to understand that point of view.

Mr. COOTE: It is more blessed to give than to receive.

Mr. WOODSWORTH: Possibly; but we do not generally conduct business on that basis. I suppose we can find the explanation in what is known to economists as invisible exports. As the pamphlet itself says:

Some of the items, for example, which must be included in a complete statement of the "invisible" exports from the prairie provinces of Canada would include (1) payments of interest and sinking fund sent outside the area; (2) payments of dividends on securities of prairie companies to persons resident outside the prairie region; (3) remittances of cash by immigrant residents; (4) expenditures of travellers; students, etc., ordinarily resident in and deriving their income from the prairie provinces, made outside the prairie district; (5) payments to outside insurance companies; (6) the export of capital accompanying emigration; (7) capital sent away from the prairies for investment; (8) charges for transient labour recruited mainly from eastern Canada (harvesters' excursions).

That may indicate, perhaps, the great outstanding fact that the extent to which we are truly grateful for a bountiful harvest will possibly be dependent upon the proportion of that harvest which we are allowed to enjoy. Let me go on to say that in all parts of Canada a very large proportion of the production is eaten up by our inequitable system of distribution, and in this connection I would like to quote, not a radical writer, but rather a few sentences from an interview with the late W. J. Hanna at the time he was food controller, when he found himself faced with the necessity of doing something if possible to eliminate some of the profits which went to the middleman. Mr. Hanna at that time referred to:

> The supernumerary, unnecessary and inefficient middleman, whose presence in the community is one of the most serious economic wastes of the day,—

And later he goes on to say:

> That there have long been too many city people and too few farmers in this Dominion is common knowledge, but it is not so well known that among our city people there are too many mere distributors, too many shippers, packers, carriers, wholesalers, retailers, advertisers, printers, salesmen, brokers, sub-brokers, deputy brokers, assistant-sub-deputy-brokers, and the whole army of people in the services and professions that wait upon the middleman.

Later, in speaking of this inflated staff of non-producers, he says it—

> —was and still is dependent for its wages upon the movement of farm goods to the city and city goods to the farm, and all the over-specialized, over-elaborated processes which a luxurious civilization imagines are necessary to its happiness—

Here again may I emphasize that we have perhaps in this very House a large number who more nearly represent that great class of middlemen, and it is not much wonder that perhaps they rejoice in the bountiful harvest because they are able to secure a very considerable proportion of that harvest. I am reminded of a saying of Mr. Bernard Shaw's, to the effect that man is the only animal that counts himself rich according to the number and voracity of his parasites.

Let me pass on in considering this bountiful harvest to the question of some of the people who actually help take it off; I mean the harvesters. I happened to come down on the train with a number of these men who were returning to the east; some of them were riding in the regular coaches, while some had been riding on box cars. On that very trip one poor fellow had apparently fallen between the cars. In conversation with a number of the men who had been out through the west for the harvest, I found that owing to the rain which came during harvest time, a very large number of these men were unable to obtain very much as the result of the weeks they spent in the west. I would like to commend to the Minister of Agriculture (Mr. Motherwell) a suggestion that we might very well make provision for some kind of insurance for those who harvest the western crop. It is undoubtedly a question of national importance that the wheat harvest should be safely garnered in, but we often find that owing to an early frost in one particular region, a hail storm in another region, or an early snowfall in still another, hundreds of men are thrown out of work. It would seem reasonable that the great burden of a disaster of that kind should not be borne by the few individual harvest hands who happen to be located in that particular district. The west is accustomed to insurance against hail and other such contingencies, and it would not seem an unreasonable thing that the Agriculture department or the Immigration department, recognizing the importance of the task, and also recognizing that no group of individuals in one neighbourhood or no one district could handle this situation, should bring forward some sort of insurance scheme. The details of this would need to be carefully worked out. The end to be attained is that those men who go from the east or from overseas to harvest the crops of the west may be sure of coming back with at least decent wages for the time they have spent in this very essential work.

Further in this connection might I point out that the ordinary industrial worker in the cities has by no means profited to the extent he should profit by the bountiful harvest, and the added production which has characterized the last year in this country. Let me give a statement from a recent investigator of wages on this continent:

> The recent researches of Paul H. Douglas show that the gain in real wages in the United States from 1890 to 1919 did not average one-half of one per cent a year.

I submit, Mr. Speaker, that the conditions are very similar in Canada, although we have not had a careful research carried on in this country. If during the past 20 years the industrial worker in the United States has gained only something like one-half of one per cent a year in real wages, it would seem to me that it might very well be that we should devote a little more time to asking what this bountiful harvest means to the ordinary man in industry or on the farm.

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

Mr. WOODSWORTH: Mr. Speaker, before the House took recess I had been trying to explain that in connection with the speech we are attempting, as far as we can, to present the special viewpoints of the Labour group that we represent. I had been dwelling upon the question of the bountiful harvest, and suggesting that although there have been greatly increased production and increased trade that that did not necessarily mean that the rank and file, either of the agricultural or the industrial workers, had very largely benefited thereby; that very frequently a considerable portion of production was already mortgaged; that very often our system of distribution was such as to permit only a small percentage to remain in the hands of the actual producers.

I should like now to pass to what might be considered almost as a part of the unfinished business of the last House. The members of last year will recall that a parliamentary committee was appointed to consider the question of the minimum living wage. Near the close of last session the committee brought in a report containing certain recommendations, and this report was unanimously adopted by the House. The question itself, however, has not been very fully discussed, and so far as the speech from the throne is concerned there is no indication that legislation with respect to it is to be brought down. May I say that the principle of the minimum wage has been very clearly recognized by the government of Canada for some time past. As far back as 1918 we had a declaration of war labour policy by the Dominion government. I quote from it section 9:

That all workers, including common labourers, shall be entitled to a wage ample to enable them with thrift to maintain themselves and families in decency and comfort, and to make reasonable provision for old age.

Again in section 15, where there is a reference to what is known as "fair wage" provisions, the words used are:

Always mindful however, of the necessity of payment of living wages.

After the war was over this question of decent standards of living was considered not merely by the Canadian government but by the governments of all the allied nations, and in the Peace treaty of Versailles certain general principles with regard to labour were incorporated. I should like to read a few phrases which, perhaps, may bring before the members of this House the broad scope of the agreements which were solemnly entered into at that time:

The high contracting parties, recognising that the well-being, physical, moral and intellectual, of industrial wage-earners is of supreme international importance, have framed,—

And so on. We have clause 1, which sets forth the guiding principle that labour should not be regarded merely as a commodity or article of commerce. And again clause 3, which declares in favour of—

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

I do not think it is necessary to remind the House that this treaty was signed and the conventions were ratified later on by Canada.

The next step with reference to these matters was taken by the government in 1919 when a royal commission on industrial relations was appointed. On this commission there were not only representatives of labour but also representatives of the employers. The following well known gentlemen were on the commission: Hon. Chief Justice Mathers, of Manitoba, Chairman; Hon. Smeaton White, Mr. Carl Riordon and Mr. F. Pauzé. At the opening session, the chairman with the approval of the other members made a statement, and I quote simply one paragraph of it so as to give some idea of the expressed attitude of those who were interested in industrial affairs at that time:

In July, 1917, the British government appointed a commission of inquiry into the problem of industrial unrest, and in conclusion I do not think that I can do better than quote from its report:

"What is wanted is a new spirit—a more human spirit, one in which economic and business considerations will be influenced and corrected, and it is hoped will eventually be controlled, by human and ethical considerations. The main cause of unrest lies deeper than any material considerations. The problem is fundamentally a human and not an economic problem. A new spirit of partnership is therefore essential."

This declaration and the recommendations of the commission were followed up by a National Industrial conference held also in 1919. I may say, however, that practically nothing was done at that conference that resulted in anything of any concrete advantage to the workers. If I might allude to a phrase used by the Prime Minister yesterday, it is quite possible that the status of labour was readily accorded, but labour has not risen in stature sufficiently to be able to take any very great advantage of the status that was so readily conceded in 1919.

Our committee last year brought in a report which has been placed, I think, in the hands of all the members. From this I should like to quote one or two brief sentences. One

witness, Doctor MacMillan, of the minimum wage board of the province of Ontario, said:

There seems to be no reason why if this principle is good for women's wages, it should not be applied at least to some classes of men's wages.

Further the report states:

The evidence also showed that some workers in Canada are receiving less than will enable them to adequately maintain this standard.

I think that is putting it very mildly indeed, but that was the unanimous statement of the committee after examination of all the evidence placed before them. It was stated by the Deputy Minister of Justice that minimum wage legislation was primarily, under the British North America Act, a matter for provincial legislation. But he also quoted section 132 of the British North America Act:

The parliament and government of Canada shall have all powers necessary or proper for performing the obligations of Canada or of any province thereof, as part of the British Empire, towards foreign countries arising under treaties between the empire and such foreign countries.

Commenting on this he said:

There can be no doubt that where Canada has entered into an obligation by treaty—and in that connection I mean an association with the empire, of course—within the meaning of section 132, which I have just read, I do not think there is any doubt but that parliament has power to legislate for the purpose of carrying into effect the provisions of the treaty.

That is a most important statement, and I think perhaps warrants the further statement of the committee itself:

This opinion goes to show that the British North America Act by no means contemplates industrial problems of the kind and scope to which Canadians to-day must adjust themselves.

The committee recommended, among other things:

That a conference of provincial and Dominion representatives intimately in touch with labour conditions throughout Canada be held in the near future to consult as to the best means to be employed of giving effect to the labour provisions of the Treaties of Peace.

I should like to ask the Prime Minister, who unfortunately is not in his seat, but to whom this message will undoubtedly be delivered, whether the government will not consider the calling of this conference at a very early date. Further than that, to this conference there might possibly be also committed the carrying out of the other provisions of the Versailles peace treaty. Anyone who has read anything of the proceedings of the League of Nations must understand that Canada is not by any means in a foremost position as regards labour legislation, and it seems to me that in ordinary decency, and having regard to the premier position which we occupy among the British dominions, we ought not to lag behind in social legislation of this character.

Let me say that the evidence given before the committee showed the budget that was necessary in order to maintain a minimum standard of health and decency. There are a great many people living much below the standard, but the most careful social workers prepared for us an estimate which goes to show that in order to maintain a family properly, to clothe and feed them properly, and provide proper shelter, education, a moderate amount of recreation and other things of that kind, it is necessary to-day, according to the prices now prevailing, to spend in the neighbourhood of $2,200 per annum. That you will find in the evidence of the committee.

Now, on the other hand, I ask what are the actual wages paid in Canada. I find, according to the Year Book of 1925, the latest figures that we have, the average yearly earnings of wage earners in manufacturing industries in Canada, as shown at page 429, amount to only $959. That is less than half the amount that is considered necessary to maintain a family in health and decency, according to the figures prepared by some of the most careful investigators. It may be quite true that this average figure of $959 includes the wages paid to unmarried men and to girls, but I submit that that does not make it any easier for the married man who has the responsibility of the family, for in the case of girls at least, they are paid very little more than what is necessary, according to the government's own standards, and as enforced by the minimum wage regulations of the various provinces. We had a concrete instance given us, which may help to make the subject very definite to all in this chamber.

In one manufacturing town in Ontario, and I think it is a fairly representative town, in a cotton industry the girls were receiving $10 a week, and the men, many of them married, were receiving only $15 a week. The $10 had to be paid under the minimum wage laws of the province of Ontario. There was no legislative provision whatever as to the payment to married men, which simply meant that whereas, under the most rigid investigations, it had been found necessary to give $10 a week to keep an unmarried girl, the men were getting only $5 a week more. They were supposed to be able to keep a wife and family on that additional $5. I ask anyone can it be done? If so at what cost?

I do not think I am going too far afield, Mr. Speaker, when I hear the fine phrases about the increasing prosperity of this country, about the bountiful harvest, about the greatly in-

creased production, if I call your attention and the attention of the House to the fact that very large numbers of our fellow-citizens are living below the standard that is necessary to maintain health and decency. I do not know that our own employees, the civil servants, are very much better off. Let me read from an editorial in the Ottawa Citizen of January, 1926:

> In the session of parliament, 1922, Mr. McQuarrie, in answer to a question, received the information that 19,467 employees of the Dominion government received less than $960 per annum.

That is, government employees were receiving only about what is the average wage in the manufacturing industries, and which is only about half what is necessary, according to government and other investigators, to maintain a decent standard of living in Canada. In that same editorial the Citizen goes on to comment on this state of affairs. It says:

> Political and economic leaders are accustomed to lay great stress upon perfection in the production of material commodities of all kinds. Appropriations and statistics in parliament are largely confined to the increase of material wealth and the pursuit of gainful occupations for profit—that is, for the almighty dollar. The development of our natural material resources is no doubt of great importance. It may well be asked what is the ratio between the importance attaching to the development of material wealth and the care and cultivation necessary for the improvement of the human existence. While our economic system is grinding out wealth, how fares the great mass of struggling humanity during the process?

Now, Mr. Speaker, may I ask, since it requires, according to the figures presented to the committee, something like $2,200 to maintain an average sized family in decency, and the average wage paid in this country is only $959, how is the difference made up? Because the majority of the families do manage to get along on less. They sometimes save on food, and we generally pay the bills through contributions we are making to the hospitals and other institutions. They may save on houses, and we have the overcrowding that exists in so many of our larger cities, which again leads to deterioration in the life of the family, and we very often have to pay again through our hospitals and other institutions. Very often the difference is made up by the earnings of the husband and father being supplemented by the earnings of the wife and children; the effect is to mortgage the next generation, and we have another generation coming up with very little education, fit only for blind-alley occupations and very inadequately equipped to meet the strenuous conditions of modern life. I submit the time has come when this parliament will have to fall in line with the parliaments of other great nations, especially with the parliament of the mother country and with some of the colonies, for instance with New Zealand and Australia, and give a little more attention to matters of this kind.

I would commend to the attention of the House a resolution that has been placed on the order paper by my hon. friend for North Winnipeg (Mr. Heaps) which reads:

> That, in the opinion of this House, the Committee on Industrial and International Relations be instructed to investigate and report on the establishment of a system of insurance against unemployment, sickness and invalidity.

The speech goes on to state:

> It is gratifying to note that during the year immigration has substantially increased.

We have discussed the question of immigration in this House again and again and it is not my intention to go into this matter to any great length, but since the railroads and the boards of trade are on every hand emphasizing the need for increased immigration, I would like once again to utter my protest against increasing immigration without taking greater care of the incoming immigrant and the men already here. It is very easy to permit immigration to be used simply to overcrowd the labour market, as to supply fares for the railroads and a sale for the lands of the west. I am glad to find that the departments are beginning to talk about colonization instead of immigration. It is a move in the right direction, but we will have to go a great deal further in practical provisions before the situation is at all satisfactory. It is a disgrace to civilization to have brought before us the pathetic stories that fill the papers in nearly all our cities about this time of year. We have appeals not only for a Christmas dinner, but at the same time we have little glimpses into the wretched conditions under which a considerable part of the population must live. I do not need to go outside of Ottawa. Here is a newspaper clipping of a date no later than December 2, a statement by the Social Service Commissioner of Ottawa, who says:

> We are told repeatedly that Canada needs immigrants. The transportation companies have a large interest in stating that our prosperity will be increased in proportion to the number of new citizens who come to our shores. It seems a reasonable assumption that the further importation of men would aggravate the present situation. If we need further labour during the summer months, it might be feasible to import men in the spring and send them home again in the fall.

And again—

The quality of our citizenship is not improved by the presence in our city of thousands of under-nourished little children, hundreds of cold and cheerless homes, many families forced into the streets because the rent cannot be paid.

Are those statements correct? If they are not I think it is the duty of the government to correct them. If they are correct, it is the duty of the government to introduce such legislation as will make it impossible that those conditions should continue.

Again the speech from the throne goes on to state:

It is gratifying to note that during the year the foreign trade of Canada has shown further marked improvement.

I am sure we all rejoice in that statement, because as a whole we have taken it that trade returns indicate a substantial betterment in general conditions. On the other hand, I sometimes wonder why we are so solicitous about our foreign trade. I sometimes wonder why we do not spend a great deal more attention in developing the home trade. We cannot do that unless we increase the buying power of the masses of the people. There it seems to me is one of the solutions of the economic problem which faces not only this country but all the countries of the world to-day. In this connection, just to show that a good many people outside the labour movement are thinking along these lines, I should like to quote a paragraph from one of the papers of my own city, the Winnipeg Tribune. I might say this paper was a supporter of the Conservative party during the last election so that I cannot be accused of quoting from any organ that is particularly favourable to my own position. The editorial reads:

Home Markets Needed

The American Federation of Labour is getting down to economic fundamentals, when it asserts that "the best interests of the whole social group are served . . . . by high wage standards which assume sustained purchasing power to the workers, and, therefore, higher national standards. In other words, the more money the masses of the workers have to spend, the greater will be the home market for the goods which they produce."

Again it says:

It is curious that nations should fight for foreign markets and should spend vast sums of money in building up semi-civilized people to the point where they will become customers, while they have right within their own borders masses of people in real need of the things they have so much difficulty in selling. It should not be difficult for an economist to show that what the over-industrialized countries should do to find a market for their "surplus" production is, as the American Federation of Labour suggests, to increase the purchasing power of the masses at home.

That particular phase of the economic question has of course been given a considerable amount of emphasis in magazine articles, and the experimental work of Mr. Henry Ford has perhaps served to draw popular attention to the possibilities. I commend that suggestion to the Minister of Trade and Commerce. It is quite possible to stimulate prosperity in this country by developing our home markets.

Reference is made to adequate provision for the civil service. We all want to look after the civil service, but may I ask why we do not begin some of our economies right at home. I should not like to suggest the abolition of the Solicitor General (Mr. Cannon); he is too genial a man. I would, however, like to suggest the abolition of his office, as was suggested a year or so ago. I do not know why it is that the government seems to have settled back again and to be apparently determined to take no action along these lines. Again and again it has been suggested that we might have various consolidations of departments. All of us, I suppose, have considered ways in which this might be done. I mention the consolidation of the Public Works department with the Department of Railways and Canals. Half a dozen other consolidations will readily occur to almost any member. Why should we persist in a very considerable measure of extravagance with regard to higher officials when we are constantly talking about the necessity of exercising economy across the country?

May I venture to suggest one or two things that have occurred to me—and I am sure to many others—in connection with the recent elections? Why should not the suggestion of the Chief Electoral Officer be carried out in legislation this session, and electoral officials be appointed for a considerable period of time? So far as I am concerned, I should like to take the electoral machinery out of party politics altogether. We had a struggle last session between the two major parties partly at least because each was determined to get hold of the electoral machinery. Why? It may have been that each was not intending to use that machinery illegitimately; but each party was decidedly afraid the other would. There we have the situation. Why not take the electoral machinery out of party politics altogether?

There is another inquiry I should like to make of the Prime Minister, but again I note

that he is not in his seat. Last session before the dissolution of parliament it was decided with respect to the inquiry into the Department of Customs and Excise that a commissioner should be appointed by a judge of the Exchequer court. That was done, and Mr. Justice Lemieux was appointed. I have never yet ascertained—it may have been announced in the newspapers—just why it was that the government when it came into power proceeded to make an appointment of its own, leading apparently to the resignation of Mr. Justice Lemieux and the appointment of another judge to take his place. It would seem to me, and I think to anyone who sat through last session, that the idea in having the commissioner appointed by a judge of the Exchequer court was that there should be no suspicion or partisanship in the appointment. You may remember, Mr. Speaker, that one amendment was that each of the larger parties might nominate a judge to form the commission of inquiry, but it was felt that that of itself might lead to partisanship, and so a judge of the Exchequer court was asked to make the appointment. I think it is due to this House that at some early opportunity the government should tell us why the change was made.

Another matter that I would like to call to the attention of the government is in connection with the Tariff Advisory Board. As I understand it, this is a fact-finding body. Then why should not the reports with a summary of the evidence be given to the public? If I am correctly informed, at present these reports are turned in to the Minister of Finance, and I have no doubt they will be of great advantage to him in determining the policy of the government with respect to tariff matters; but if the reports do not consist of recommendations, but rather a digest of a mass of evidence, it does seem to me that it would be a very great advantage to parliament and to the people generally that the facts in connection with tariff matters should be given the widest possible publicity.

Before I leave these miscellaneous matters, might I venture to suggest further that when the government brings in its measure providing for a change of the rules of this House some provision should be made by which the estimates, instead of being discussed in committee of the whole, might at least be first referred to an appropriate committee? This is done to a limited extent in the case of the railway estimates, and has met with very general approval. I am sure that any of the older members must have realized the immense loss of time involved in attempting to discuss the details of estimates in a large assembly of this kind. It would seem to me that by this method the interests of the country could be very well safeguarded, and yet the business of the House be greatly expedited, especially when as at present members' speeches are being recorded for Hansard.

The speech from the throne makes reference to the Imperial conference, and already considerable time has been devoted by previous speakers to a consideration of some of the matters arising therefrom. There is not the slightest doubt that the Prime Minister has brought back some very excellent phrases. We must all admit that. I hope we will be able to use those phrases to very good advantage. But as one examines the reports that have been submitted to us in the newspapers, I am afraid that some of the subsequent paragraphs do not altogether bear out the full meaning of the phrases which are crowded into the front of the report. We are told:

> The dominions are autonomous communities within the British Empire, in no way subordinate one to another in any aspect of their domestic or external affairs.

Now, as far as I am concerned, that is very highly satisfactory, and yet I read on in the report—I might say that I have only the newspaper despatches to go on, as the House has not yet been supplied with printed copies of the report itself—I read:

> That the principles of equality and similarity, appropriate to status, do not universally extend to function.

I have read that sentence again and again, and confess that I do not know what it means. I think a man would need to take a post-graduate course in metaphysics to know just what it does mean. Let me read it again, for possibly some subsequent speaker may be able to enlighten me.

> The principles of equality and similarity, appropriate to status, do not universally extend to function.

Again, we are told that we are equal in status to the motherland, and yet later on with regard to foreign relations we find this:

> Their delegates have recognized that in this sphere . . . . the major share of responsibility rests now, and must for some time continue to rest, with His Majesty's government in Great Britain.
>
> British diplomacy, it is suggested, can only commit the dominions to passive, not to active obligations.

Again, I confess that I am absolutely mystified. What are "passive" obligations as distinguished from "active" obligations? Further, we are told that:

The British Empire depends essentially, if not formally, upon positive ideals. Free institutions are its lifeblood, free co-operation is its instrument.

May I point out what has been noted by some old country papers, that of the 450,000,000 of the empire's inhabitants over 350,000,000 know nothing whatever of free institutions. The Daily Herald has this to say:

Not a mention of India, not of Malaya, of Nigeria, of Kenya, of the Sudan, of all those colonies and protectorates and dependencies and mandated areas which have no "free institutions" and know nothing of "free co-operation". Not a mention of all the subject peoples, of the empire.

It does seem to me that at least those of us who have anything of an international point of view cannot very well rest satisfied that the Imperial conference should have taken such slight account of the great majority of those who are sheltered under the British flag.

We are to be given a summary of the proceedings of the conference. I should like to know just how much of those proceedings we may expect to have divulged. Here again, it strikes me, there has been altogether too much secrecy about the conference, a condition which is far removed indeed from the ideal of open diplomacy which is pretty well worldwide at the present time. I would ask the government, what about secret commitments, what about implied guarantees? So far we know nothing about these things. Let me quote a news item which appeared on November 15, 1926:

After witnessing the maneouvres of aircraft at Croydon, the Atlantic fleet off Portland and Saturday's demonstration by army tanks, motor artillery and mechanical transportation the Dominion delegates are expected to express their views on motions to maintain the defence of empire.

What are these views? We have a right to know. Are they in harmony with that resolution published with regard to Locarno, reference to which was made this afternoon? In his Armistice day speech at Kansas City President Coolidge said:

It is more and more becoming the conviction of students of adequate defence that in time of national peril the government should be clothed with authority to call into its service all of its man power and all of its property under such terms and conditions that it may completely avoid making a sacrifice of one and a profiteer of another.

That will meet with the approval of many hon. gentlemen in all parts of the House, but I suggest that the government should take the very earliest opportunity to bring forward a policy along these lines. If we are in any sense of the word to be committed, either actively or passively, to participation in another great war we ought to know at the earliest possible moment just what obligations we are undertaking, and adequate provision should be made in that direction. Let the government bring down its legislation. In this connection I would review briefly some figures given last year by the Minister of Finance (Mr. Robb) in his presentation of the budget. The minister stated that the expenditures directly attributable to the war amounted to 47.83 per cent of our entire income, and then he went on to enumerate certain other items which brought the total up to fully 50 per cent. I cannot imagine that the people of this country can be generally aware of the fact that of all taxation that is gathered together in Canada by means of income tax and levies in various other forms, not to mention the tariff, fully 50 per cent goes to pay the interest on the debt incurred through the last war. The Prime Minister (Mr. Mackenzie King) himself later on in the same debate if I remember rightly, stated that not a dollar of the principal in connection with that debt had yet been paid. Inasmuch as it is practically impossible for us to form any adequate idea of the meaning of figures running into the millions, I would put the matter this way: the total spent by the Canadian government on public health amounts to .19 per cent of our income; the total on scientific institutions, merely .29 per cent; and the total on labour .36 per cent. Here are three very important phases of our public life—health, scientific institutions, and the matter of industrial relations—to which a total of .84, or less than one per cent, of the revenues of the country is devoted, while 50 per cent of that revenue goes to pay for the last war. I would venture to offer a suggestion to the Minister of Finance. If we seriously contemplate another war why not adopt ordinary business principles and set aside a sum sufficient, say $50,000,000 a year, as a contingent fund? Not only have we to pay for the last war but apparently we are contemplating another war, and this being the case we may as well prepare for it. Any business conducted on sound principles sets aside certain reserves against contingencies; and this is not a mere contingency, for according to our experts it is dead certainty. I suggest therefore that the minister set aside $50,000,000 a year for a contingent fund. This, I submit, would be a much more effective preparation than summer camps for militia. And still more important, it would

enable us to pay for our own folly instead of shouldering the burden on our children's children.

This is not a mere personal matter with me, although I feel strongly on it. Only a few days ago there was sent to me through the mails by the Secretary of the Farmers' Union of Canada a resolution which, after enumerating some of the evils of the last war, declares:

> Be it resolved that we urge on our representatives in parliament to take action to ensure that Canada lead the world now by being the first country in the world to adopt complete disarmament; and with that end in view;
>
> 1. That our standing army, our navy and militia be abolished.
>
> (2) That all cadet training in schools be discontinued and that appropriations thus saved be expended in helping to provide;
>
> (1) Adequate pensions to disabled war veterans.
>
> (2) A system of state insurance against financial difficulties incident to sickness, old age, and death, including a pension to all indigent widows and orphans and pensions to all aged people in want, so that, on reaching the age of sixty-five years, every man and woman in Canada would be in receipt of a dollar a day for life.

Personally I have hardly the courage to suggest that every one should receive that much, and yet it would take an infinitesimal part of our annual revenue. Instead, not only do we go on year after year paying 50 per cent of our revenue towards the cost of the last war, but apparently we are actually entering into certain obligations that may precipitate another conflict.

Before closing let me make this observation. During the war social legislation was very largely suspended or postponed. Between 1921 and 1925 the government did comparatively little in this direction. In 1925 I remember distinctly charging the government with having done practically nothing for labour—at any rate, nothing of a constructive character during the preceding four years. Last year they made a good beginning in introducing old age pensions and other measures that would have helped a large proportion of the ordinary people of the country. But it is only a beginning. Social legislation is sadly in arrears. I submit that at present the government has a wonderful opportunity; it has not only a majority of its own followers, but it has in this quarter of the House members belonging to other groups who are prepared to support it if it goes forward with a progressive policy. I might, however, utter a word of warning. I want to state very frankly that if the government fails to carry out a constructive program then the government will soon find that the people of Canada did not put them into power in order merely to hold office, but rather to get things done. The west at least, and I think, the country at large, expects action. So far as we in this corner of the House are concerned, we shall do our utmost to co-operate in pressing forward such action.

[Mr. Woodsworth.]

Mr. WILLIAM GORDON ERNST (Queens-Lunenburg): Mr. Speaker, I wish to associate myself with the hon. members who have preceded me in conveying my congratulations to you, Sir, upon your re-election to the office of Speaker; also to the mover and seconder of the address in reply to the speech from the throne, and to His Excellency the Governor General and Viscountess Willingdon upon the appointment of Lord Willingdon as Governor General of this Dominion. From a purely personal standpoint I also wish to convey to the Minister of National Defence (Mr. Ralston) my congratulations on his appointment as a minister of the crown. I happened to be associated with him and to serve under him, in an enterprise perhaps more hazardous than the present one; I have been associated with him in civilian life as well, and I only hope that he will continue to fill his office with distinction until the next general election.

As the first Nova Scotian to speak, Mr. Speaker, I feel it my duty to convey to this House the keen sense of personal loss which we all feel on the death of the late member for Antigonish-Guysborough, Mr. J. C. Douglas. We appreciated the kind and sympathetic words of the Prime Minister (Mr. Mackenzie King) and the leader of the opposition (Mr. Guthrie), but perhaps we knew him best, and we feel his loss most keenly. I need only say that his passing leaves a genuine sorrow in thousands of Nova Scotian hearts.

My main purpose in arising this evening is to draw to the attention of the House what I believe to be one of the most monentous documents tabled here since confederation; I refer to the report of the Duncan commission upon maritime rights. Before I pass to that, however, I want to say just one or two words with reference to another matter mentioned in the speech from the throne; I refer now to the Imperial conference. I do not profess to be a great constitutional lawyer, but if I am not mistaken, when that conference convened there were gathered around the council table representatives of one sovereign country and of six dominions. In international law at least the attributes of sovereignty and those appertaining to a dominion are decidedly different; for instance, the sovereign country alone can make peace

or declare war. I need not quote the other attributes, but amongst them is this, that a sovereign country can legislate for its subjects whether they be within her own domain or whether they be in other countries; a sovereign country can legislate for its ships whether they be on the high seas or in their home ports. There was one such country represented at the council table, and that country was Great Britain; the rest were dominions. If we are to believe the report which was tabled in this House, something has happened; each is equal to the other, and none is subordinate in any respect. One thing or the other must have happened; either Great Britain has ceased to be a sovereign country and has descended to the level of a dominion, or each dominion has become a sovereign country. I dismiss the first proposition as absurd; I believe this House would consider it absurd that Great Britain should descend to the level of a dominion. If on the other hand Canada has become a sovereign country, I am going to put to hon. members opposite just one plain proposition in order to test that out. If Canada is a sovereign country she can legislate for her subjects whether they be within or without her borders; she can legislate for her ships whether they be on the high seas or in their home ports. If I mistake not, the right hon. Prime Minister, during the hectic last days of the last session and during the resulting campaign, stated that it was the desire of his government, or his party, to suppress the smuggling traffic in this dominion. If that desire was genuine, Mr. Speaker, and if that report means anything, then the Prime Minister has his opportunity. Those interested in the enforcement of the law say the reason why smuggling is so difficult to suppress is that they cannot go outside the three mile limit to seize and search ships. If this report means anything then I shall expect the government, in order to test it out, to introduce legislation enabling them to seize Canadian ships whether they be inside or outside the three mile limit. If they do not do so, there are only two conclusions one can draw. The first is that the government was not sincere in its statement that it desired to suppress smuggling; the other is that it has not the power and Canada is not a sovereign country. As a matter of fact, I believe that if they did pass such a law—and I present my opinion for what it is worth—it would be held ultra vires by every court of competent jurisdiction in this country. Further, Mr. Speaker, I believe that the report, in so far as that statement is concerned, is nothing but an empty platitude. Canada acquired her status, not through the efforts of her politicians, but through the efforts of the 500,000 men who went overseas between the years 1914 and 1918. Fifty thousand of them sleep on foreign soil, and he who says that Canada's status is due to the efforts of her politicians is trying to filch honour from the dead.

I pass now to the subject on which I propose to dwell during most of the time I hope to occupy the attention of the House; that is, the question of maritime rights. The campaign started in 1920, in the province of Nova Scotia, and bore its first fruits when the senior member for Halifax (Mr. Black) was elected in the by-election of 1923. In the course of his remarks yesterday, the Prime Minister sought to take unto his government credit for the fact that it was his government which had appointed the commission headed by Sir Andrew Rae Duncan. May I point out that the senior member for Halifax was the first to mention the question of maritime rights in this House. At that time Nova Scotia was represented by fifteen Liberal members, and each of these members said that the statements of the senior member for Halifax were absurd, and had no truth in them. May I further point out that in the general elections of 1925 the maritime provinces, out of a total representation of thirty, returned twenty-four members pledged to the cause of maritime rights. The speech from the throne, it is true, contained a reference to the appointment of the commission, but I venture to say that it was not any desire on the part of the Prime Minister to have the subject investigated, but rather the voice of the people of the maritime provinces which compelled him to do so. Further, when he states that the maritime members opposed the appointment of the commission, he overlooks the fact that the maritime members stated that they knew what was wrong with the maritime provinces, and had come here to get legislation to remedy those wrongs. He refused to believe them; he stated they did not know, and asked, "What are your maritime rights?" He appointed that commission; he has his answer, and that answer is a complete vindication of those members who sat here last year representing the maritimes.

I purpose dealing briefly with some of the main provisions of that report. The hon. leader of the United Farmers of Alberta (Mr. Gardiner) in the course of his remarks this afternoon said that before we legislated for the maritimes we ought to be sure that we knew what we were doing, and then do all that needed to be done at once. May I point

out to him that the gentleman who headed that commission was referred to by no less a person than the Prime Minister of this country as a second Lord Durham? May I also point out to him that if he wants to know what is wrong with the maritimes all he has to do is to read that report with care. Then if he wishes to know how to provide a remedy all he need do is to support legislation to enact the provisions of that report, not partially but in their entirety.

But let me take up the provisions of the report one by one. The first deals with the question of subsidies. It recommends that Nova Scotia be granted an increase of subsidy amounting to $875,000 a year; New Brunswick an increase of subsidy amounting to $600,000; and Prince Edward Island an increase amounting to $125,000. I have heard it argued that this recommendation does not mean an increase, but represents the total subsidy which should be paid. May I draw the attention of hon. members to the statement in the report of the commission to be found on page 19, which reads as follows:

> We do not feel, however, that it would be right or wise that the Maritime provinces, in their present state of grave necessity with deficits accumulating against them in their ordinary revenue and expenditure, should be left in suspense until a re-assessment is made by the Dominion government, and accordingly we recommend that immediate interim lump-sum increases should be made in the payments to the three Maritime provinces as follows:—

May I point out further that a few lines later on in the report appear these words:

> In suggesting the foregoing sums we have fixed what we believe to be the minimum addition that the three Maritime provinces should have in any such revision—

And then if any doubt remains as to whether, in relation to the three maritime provinces, the sums named are increases or total subsidies to be paid, let me refer hon. members to the figures for Prince Edward Island which, in the report, are $125,000 in so far as the increase is concerned, whereas the subsidy paid to-day to the province of Prince Edward Island is something over $180,000. The figures leave no doubt that the amounts recommended are to be in addition to the amounts which are being paid to-day. I know there are some hon. members who will say this is a raid on the Dominion treasury. If they make the statement and let it go at that they are overlooking the facts of history. When Nova Scotia and the other maritime provinces entered confederation they handed over to the Dominion government the chief sources from which they raised their revenue; they handed over the collection of customs, they handed over the railways which they themselves had built and they obtained no credit for these in the statement of their public indebtedness. In addition they had as provinces of Canada at the time of confederation a proprietary interest in the western lands which belonged to the Dominion. Those lands were apportioned and the proceeds given to the western provinces. Nova Scotia received nothing in return, whereas Quebec and Ontario received large accessions of territory in addition to the area which they had at the time of confederation. Need any further justification be urged for the increased subsidy which is recommended?

I pass on to the question of railways. To put the matter briefly the commission recommends first that a reduction of twenty per cent be made on all railway rates pertaining to the Atlantic division of the Canadian National Railways, to apply equally to traffic which originates in the maritime provinces and is destined to points outside, and to local traffic which both originates and terminates within the division. There was a further recommendation. The maritime province members had asked for special freight rates for their basic commodities, for their coal, steel and lumber. This question is left wide open by the commission. They say it should be dealt with by the railway board; that if the board has not that power to-day it should be empowered to deal with the question and deal with it effectively for the benefit of those interested. It will be said that if this twenty per cent reduction is made it will be statutory legislation. May I draw attention to the fact that it will not be the first time that statutory legislation has been invoked in so far as railway rates are concerned? In the second place it will be pointed out that the Atlantic division of the Canadian National railway is to-day operating at a loss, and that this reduction will mean a further raid on the Dominion treasury. May I point out to hon. members, in the first place, that the Atlantic division of the Canadian National railway was not built primarily for commercial purposes, but was built for military reasons to connect these maritime provinces with central Canada and in order that the latter might have an outlet in the winter months. In carrying out that policy the railway was made two hundred and fifty miles longer than it need have been had its construction been carried out for commercial purposes. In the second place may I point out that, as was said by an hon. gentleman yesterday, unless each and every part of this Dominion is prosperous and contented the Dominion as a whole cannot be prosperous

and contented. I believe that one of the Austinian theories of law is that that law is best which is best for the greatest number of individuals. So it is with a country: that policy is best which is best for the greatest number of its people. From confederation down to the present time that policy has been consistently the policy of protection. But there are certain parts of Canada which do not derive benefit in equal proportion to other parts. Some industries in the Maritime provinces do not derive an equal benefit in comparison with others. We say that the whole should help the part, and we shall be helping by making these contributions from the Dominion treasury. In that way a part of Canada may be rendered contented and prosperous and the reaction will be for the benefit of the whole Dominion.

I pass on now to the third recommendation of the report, namely the recommendation for port development. The port of Montreal has for years had a Board of Harbour Commissioners. The ports of Halifax and St. John, which should be the main winter ports for the traffic of this country on the Atlantic seaboard, have no such board of harbour commissioners. The Duncan commission recommends, and recommends explicitly, that a board of harbour commissioners should be appointed at once for both ports of Halifax and St. John. In this connection, however, may I say that even when the board is appointed there will be one or two matters which will need attention if the ports are going to be able to handle the business of the country. The first is referred to in the report. It is that better grain-handling facilities must be placed in these ports. Secondly it is recommended that adequate cold storage plants be built so as to help the agricultural industry and aid the fishing industry of the provinces.

I pass on now to the question of trade. The first recommendation made by the commission in this regard is that a bonus, or rather a bounty, be paid in connection with the manufacturing of steel. The matter is complicated but it is easy to understand once it is looked into. The commission recommends that a bounty or bonus on steel should be paid when that steel is manufactured from Canadian coal, and that the amount of the bounty or bonus should be equal to the drawback given on the duty on coal where steel is manufactured from foreign coal. Now, Mr. Speaker, I understand that it takes four tons of coal to manufacture a ton of steel. The duty per ton is fifty cents, the drawback amounts to 99 per cent; and I may tell hon. members on the government benches that we are looking for a bounty or bonus of $2 a ton on steel in connection with that trade as a result of the report of the commission.

There was another matter to which the commission referred and that was the question of a tariff. In this connection something most unfortunate has happened. As a result of that unfortunate happening we have not a recommendation but what merely amounts to a suggestion. When the commission was appointed, the terms of its appointment gave it an absolutely free hand to examine into conditions in the maritime provinces and to make specific recommendations. It was fettered by nothing. The Prime Minister himself wrote to the chairman of the commission saying that the commission had an absolutely free hand, and he wanted the chairman to consider so, and to look into every phase of maritime conditions. Yet in spite of that fact, the chairman of the Tariff Advisory Board saw fit to intimate to the chairman of the Duncan commission that that commission had to keep its hands off the tariff and make no recommendations in relation thereto. If I may refer the House to page 37 of the report, paragraph 25 says:

> In respect of this matter, we do not conceive it to be our duty to express any opinion, since the question is, as we were informed by the chairman of the Tariff Advisory Board, who met us at our request, at the present moment under the consideration of that board.

But they say further:

> But we do regard it as our duty to record that the significance of this industry to the Maritime provinces was forcibly brought home to us, not only in the manufacturing towns we visited in the Maritimes, but also throughout the agricultural districts of the Maritimes. We record this in order to emphasize the need for prompt action.

That is in relation to steel. Here is what the commission says in regard to coal:

> Several features of the customs tariff in its relation to coal were brought to our attention, both by the government of Nova Scotia and by the operators of the coal mines. These we feel ourselves precluded from dealing with, since they are a matter properly to be considered by the Tariff Advisory Board; but we may be permitted to say that we are impressed with the need for reconsideration of the customs tariff in its relation to coal, anthracite and coke, and we recommend that the Tariff Advisory Board should be asked to give immediate consideration to the subject.

When the right hon. the Prime Minister of this country was touring the maritimes in his election campaign, he stated publicly that any recommendations or suggestions of the commission would receive the sympathetic

consideration of his government were he returned to power. May I point out to him that here there is a definite suggestion that the duty on coal and steel is too low, that the duty ought to be raised for the benefit of those industries, and we demand that this House act upon that suggestion. There is no need to refer the question to the Tariff Advisory Board if the government is going to be governed by its own precedents, for in the case of the automobile industry, the government considered itself justified in lowering the duties on automobiles without having any investigation of any kind whatsoever. In this case we have the specific suggestion of a royal commission, and surely if the government saw fit to act in the case of the automobile industry without any recommendation or investigation of any kind whatsoever, it ought to act, and act quickly, on the report of the Duncan commission, and give us increased duties on both coal and steel during this present session.

In relation to trade, there is another specific recommendation in the report, and that is for the establishment of coking plants. I do not intend to deal with that at any length, because I notice in the speech from the throne it is intimated that the government will make special provision for carrying out the recommendation of the commission.

I pass on to the last matter with which I purpose to deal in so far as the report of the royal commission is concerned, and that is in relation to the fish trade. That is a matter in which I myself am particularly interested because I represent what is, so far as deep sea fishing is concerned, the biggest fishing community in Canada, and it is also vitally interested in the fresh fish trade. The problems of the two are very, very different, and I purpose dealing first with the fresh fish trade.

There is a recommendation that the government proceed, if possible, to make a trade treaty with the United States in order to have the Fordney-McCumber tariff done away with, a tariff which is burdensome to the shore fishermen of the maritime provinces. May I say that that proposition has our approval provided that the interests of the country as a whole do not have to be sacrificed in order to attain the objective. But there are several things which can be done even if that cannot be done, and the first of those is that fast refrigerator trains should be established to carry fish from Nova Scotia into the markets of central Canada. Secondly, the Dominion government can aid the provincial governments of the maritime provinces in a campaign to popularize the eating of fish throughout central Canada, and if I may make one personal observation, I would say that there is a fertile field.

I pass on to the question of the salt fish trade. There is very little that can be done in this connection in so far as the question of maritime rights is concerned, but there is one matter that I would like to bring to the attention of the government. The salt fish trade is one that thrives in competition with the world. Our chief competitors are Norway and Newfoundland, and the chief market difficulty to-day is that Norway appears to be marketing a superior quality of fish, due to the fact that Norwegian fish are caught nearer home and do not have to be so heavily salted, and consequently can be better cured. I would suggest that a research bureau be established by the government to investigate with a view to finding improved methods of curing and packing fish, and to see if the market for salt fish cannot be extended.

I want to make one other reference in connection with this matter. From Lunenburg there go forth every year 100 vessels, and 3,000 men who earn their living on the deep. Last year during the storm in the month of August, two schooners, the Sadie Knickle and the Sylvia Mosher, were lying off Sable island when the storm came up, and they were caught and wrecked on the sand bars, and their crews of fifty men went to destruction. Why? Because there was no effective method of giving them warning that the storm was coming. If they had received warning, they could have obtained sea-room and escaped. After the election I wrote to the Minister of Marine and Fisheries (Mr. Cardin), and suggested that warning could be given if the government saw fit to establish radio-telegraphic communication. If the weather reports could be broadcast in plain English so that they could be picked up with a radio receiving set at a certain hour each day, disasters such as happened to the Sadie Knickle and the Sylvia Mosher need not happen in the future. I am happy to say that I received a most courteous reply from the minister, assuring me that the matter was being attended to, and that the Marconi station at Louisburg would be equipped for the purpose. I wish to impress upon the minister the fact that if it is to be of any use in the coming year, it will be necessary that some definite assurance be given that the service will be in operation by the month of March because at that time the fleet leaves for the sea. I would further suggest to the minister that the service be extended in this way: In the United States the Westinghouse stations every Saturday night broadcast messages to the men of the Royal Northwest

Mounted Police in the far north. These Lunenburg fishermen are on the banks two or three months at a time earning their living, during which they have no means of communication with the people at home; so I would suggest that the same station, Louisburg, broadcast, say every Saturday night, messages from relatives to members of the fleet, which could be picked up by the latter on their radio receiving sets. If this is done I can assure the government that it would bring an added sense of security to many homes in my constituency.

Before I sit down I want to draw the attention of hon. members on the other side of the House to the fact that so far as this report is concerned the people of Nova Scotia are in deadly earnest. They started six years ago to struggle for what they deemed their rights. They struggled to have their disabilities removed. The conditions in the Maritime provinces, despite all that has been said to the contrary, demand a remedy and demand a remedy at once, and the remedy that has been suggested and demanded has been placed in concrete form by the commission. The right hon. Prime Minister, while in the Maritimes, gave the impression that the recommendations and suggestions of the commission would be carried out to the letter. Speaking at Windsor, in the county of Hants, on the evening of Monday, August 30, 1926, he said, as reported in the Halifax Chronicle:

> It was anticipated that the commission would make its report in the near future. Mr. King desired to say that when the report is made out the Liberal administration would see to it that its recommendations are sympathetically received. It will be observed that the commission had been directed to make specific recommendations. This was in order that the government might have concrete measures which it could present to Parliament. He had no hesitancy in saying that he felt sure that the Liberals of western Canada would join with the Liberals of the Province of Quebec and the Province of Ontario in seeking to give effect to any legislative proposals based upon the findings of the commission, as he knew it was the desire of the Liberal party in other parts of Canada to have the Maritime provinces feel that the rest of Canada appreciated their problems and was prepared to join in finding the satisfactory solution.
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> "In my opinion" said Mr. King, "the report of Sir Andrew Duncan's commission will afford a historical parallel to the late Lord Durham report which in the late thirties did so much by way of concrete recommendation and suggestion to remove the grievances of which Upper and Lower Canada were suffering at that time. Sir Andrew Duncan is a second Lord Durham and any recommendation from his pen will be sure to carry great weight in the parliament of Canada."

May I say to the right hon. Prime Minister that the people of Nova Scotia are looking to him to make good that pledge in letter and in spirit. What they demand is the full measure outlined in the report of the Duncan commission. They desire legislation to carry it out in full, and not simply any part or parcel thereof. Nova Scotia to-day is in a precarious position, and I speak particularly for my own province because I know it better than the other provinces. Nova Scotia to-day is in the same position as an under-nourished man. She has been fed by the government on smelling salts so long that they are now useless for the purposes of nourishment and she must have something better. Unfortunately we have had cause for misgiving. We have had fears that the attitude assumed by the Prime Minister during the last election was as expressed by one of the finance ministers of this country some time ago, something on which to get into power. That impression has been strengthened somewhat by the fact that the speech from the throne is very vague indeed. As to the remedies the government proposes for the purposes of alleviating conditions in the maritime provinces and carrying out the recommendations of the Duncan commission, the speech simply states that certain legislation will be introduced. And may I say that the impression is not helped in any respect by the attitude the party of the Prime Minister took consistently up to the time the commission was actually functioning. Members from Nova Scotia stated in this House last year that there was nothing wrong with the province. I repeat that Nova Scotia demands the full measure of justice. I wish to say—and I do not make the statement as a threat, because there is no person more loyal to Canada than I am—that as an under-nourished man is susceptible to disease, so the province of Nova Scotia is susceptible to the germs of disease and there are within the party led by the right hon. the Prime Minister men who are trying to drive Nova Scotia from confederation, and we want him to help us to thwart them in their purpose. Only last election we had a man running in the county of Pictou who was an avowed secessionist and he was the official candidate of the Liberal party. One of the planks in his platform was secession. Furthermore, there is on the government side of the House a member representing a Nova Scotia constituency who six short years ago was an avowed secessionist, and the two chief Liberal organs of the province of Nova Scotia are owned by a man who is reputed to have as his purpose the breaking of the ties of confederation. We do not want anyone to succeed in any such purpose. We want to help Canada, because

we believe the destiny of Nova Scotia is linked with that of Canada, and I can assure the right hon. Prime Minister that if he gives us the full measure of the Duncan report—nothing less—the province which gave to this country Howe, Tupper, Fielding, Borden and Thompson, will go on to play her part as she has in the past and will be a contented and integral part of the great dominion that is to be.

Mr. JOHN EVANS (Rosetown): Mr. Speaker, there is still a remnant of the Progressive party in this part of the House—that is even if you do not include under that name those who have been elected as an economic group and now bear the name of the United Farmers of Alberta. After the capitulation of a number who were elected in Manitoba who used to sit with us, and another member in Saskatchewan who was similarly situated, we certainly have been reduced in number, and occupy now a fourth place in this chamber, but a party nevertheless. Last year, under this name, we supported this government on a programme of legislation. We intend doing the same thing this year, and while we are sorry that a number of our former Progressives have now taken their seats on the Liberal side of the House I want to say that the spirit of Progressivism in western Canada is as strong as it ever was. The word stability no doubt had something to do with the division of our group this time, but I wish to say a word regarding stability. We must realize that stability cannot be maintained unless all classes together have found a common ground for stability. Before stability can be attained in government there must at least be equality of opportunity among the different sections of the country and the different classes that exist, even if we may differ as to policies of the administration. The member for Acadia (Mr. Gardiner) in his speech this afternoon mentioned some of the chief of those discriminations which mostly affect us in western Canada.

I was indeed very much interested in listening to the speaker who has just resumed his seat (Mr. Ernst) in his description of the maritime provinces and what he considers their rights. The Duncan report is now before the House. After thirty-five years in western Canada, trying to make a living under the same conditions as the people of the maritime provinces, I think I know something of the needs of that part of the country. The class discrimination and class privilege are responsible for the most of it, and any subsidies or bonuses that may be given are not going to remedy the situation. What the maritime provinces need to-day is exactly what western Canada needs—a chance to make their own living. That is what we must have. A cut of 20 per cent in railway rates is advised. Who is to bear that 20 per cent? Will the maritime provinces themselves benefit by it? They may for a time, but only for a time, and very little at that. Again, I wonder if the maritime provinces are willing to be reduced to the status of paupers in this Dominion and become wards of this nation? I do not think self-respecting men are willing to be reduced to that status, and I am sure that western Canada will never submit to such a status. What we want is a chance to make our own living.

Now, evidently the hon. member who has just sat down is labouring under a false impression regarding the statutory regulations of freight rates. No doubt he referred to the Crowsnest pass agreement. That agreement was an attempt on the part of the Laurier government to remove the terrible discrimination in freight rates which the west since confederation has laboured under. But even the Crowsnest pass agreement has only partially removed that discrimination, and even when the agreement was operating to its full extent on commodities hauled west we were paying higher freight rates on similar commodities over similar distances in western Canada than were being paid anywhere in eastern Canada; and although the government two or three sessions ago put through a bill for the equalization of freight rates, no attempt has yet been made to put its provisions into force, and some of the grossest discriminations in freight rates still exist in western Canada. Neither bonuses nor bounties will do any good either to wheat raising or to the production of steel. What we want, I repeat, is a chance to make our own living.

I intend to deal with the speech from the throne for a very short time. It is pleasing to me to see that the legislation which failed last session to be placed on the statute books will be reintroduced this session. That legislation failed to become law last session because of the undignified and, I might say, the disorderly break-up of parliament.

The Canada Grain Act is to again come up for amendment. As far as the act itself is concerned, western Canada hopes, in fact expects, that the government will remove every obstacle to the co-operative effort of the farmers to market their grain in their own way. We have started a co-operative movement there with the purpose of trying to retain in our own hands a part of what the speculators used to take. We want every discrimination removed, but we found last year that those who have had the privilege

of deteriorating our export grain and taking the profit of the difference in price between that and the cream of the crop—our prices are always based on the export grain—are going to fight this bill to the last ditch. We are the only class in Canada to-day who are not privileged to market our own products in our own way. That is one of the tremendous class discriminations which must be removed.

The revaluation of soldier settlers' land is a measure long overdue.

Now, the government has seen fit to include in the speech from the throne a reference to the fuel problem. We are offered reciprocity with the United States in coal, in fact complete free trade in coal. That to my mind would be the best solution for the marketing of our own products and the securing of our own fuel. If the government intends to subsidize any private company to construct a coking plant in any city solely for the purpose of private gain and exploiting our citizens, it will find this group utterly opposed to the scheme. But if any municipality or any of the consumers of this country would like co-operatively to organize themselves for the production of their own fuel in as cheap a manner as possible and in adequate quantities, then I think we would be quite agreeable that the government should give some help. But we shall be utterly opposed to the government giving any private company the hard earned money of the taxpayers of this country.

Regarding the Hudson Bay railway, I might tell the government that a good deal of suspicion exists to-day in western Canada because of the action of the Minister of Railways (Mr. Dunning) in securing an engineer from abroad to pass on the merits of the two ports. Now, Port Nelson after two or more investigations was decided on as the terminus of the railway. Plans were made and a large part of the work has been done, costing I think some $6,000,000. Only a fraction of that amount is needed to put the port into a condition whereby the whole scheme may be tried out. Time has shown that no great difficulty as to the elements has to be overcome to make Port Nelson a trade harbour. We are pleased, however, to know that the railway is to be completed with all possible despatch. Western Canada is confident that within a few short years it will be shown that the fears of many regarding the navigability of the waters of Hudson bay and strait are utterly unfounded. In the meantime I am sure the railway will be needed to develop industry in that part of the Dominion.

Another feature of the speech from the throne is the reference to our foreign trade. It is gratifying to know that a marked improvement has been shown. Let me say again that this has been due mostly to the two great crops in western Canada during 1925 and 1926. All industry in this country depends still upon agriculture, and agriculture is preyed upon by other industries to an extent which perhaps is not generally realized. Indeed, it is not too much to say that the class privileges which certain manufacturers and others enjoy are a direct charge upon agriculture; they charge the home consumer such a price as will ensure them a profit on all their export trade. If they can compete in foreign countries with the cheap labour which is to be had there, then why is a tariff needed in Canada? Some of the government statistics to-day will show that the tariff is being used to ensure the manufacturers a profit over the whole of their export trade. Let us take the finshed article from the produce raised on the land by the farmer. We ourselves are consuming wheat and oats, the finished article being produced in western Canada, and we are paying just a little more to-day in Saskatchewan for the ninety-eight pound sack of flour than the people in Liverpool are obliged to pay, although wheat is anywhere from thirty-eight to fifty-four cents dearer in Liverpool than it is in Winnipeg. These are things that should not be, and it is for these reasons that I foresee in western Canada a condition similar to that which now prevails in the maritime provinces. I fear we are being reduced to the same state in which the people in that part of the country find themselves. We are moving at express speed in that direction and neither subsidies nor bonuses nor cuts in freight rates will do us any good while such a condition exists.

Let me ask hon. gentlemen this question: What will Ontario or Quebec care how much taxes they pay to effect a cut in railway rates so long as they can pass it on in the form of the price they charge for the goods which they compel us and the maritimes to purchase? It does not matter how large the cut may be, the fact is we are going round in the same old circle. We are merely making it wider, putting off the evil day a little longer. I repeat: What western Canada and the maritimes need is a chance to make their own living.

It should be particularly gratifying to members of the government to-day to find that those industries on which the tariff has been reduced are making the greatest improvements. There is only one thing in the whole

Dominion that hinders production, and that is the high cost of living. That is what is preventing production of agricultural commodities in western Canada to-day. That is why we are year after year voting millions for an immigration policy for the purpose of bringing in more dupes to take our places in western Canada as we are squeezed off the land. These are the conditions that face us out there; this is the evil the government is expected to confront and to remove at this time. It is to be hoped that the government, with the encouragement it has had in the matter of tariff reduction, will now lose no time in removing some of the unjust taxes which are at present levied particularly on those things most needed for the maintenance of health and vigor in this rigorous climate, namely, food and clothing. With increases in many lines of production, with exports and imports showing improvements, surely a cut in taxation is due. I would urge the government to maintain the income tax as it stands to-day; it is the fairest means of raising revenue we have ever found. We should remove the import penalties and the sales tax from the necessaries of life most needed by the workers of the nation. These things must be reduced.

Perhaps one of the greatest injustices which the people have ever had heaped upon them we had to face last summer in western Canada, particularly in that area that grows less of fresh fruit and vegetables than any other part of the Dominion, at least for a shorter period of the year. The Minister of Customs last summer saw fit to impose upon tomatoes, peaches and pears such a valuation as increased the duty from 100 to 180 per cent. There are about 1,000 crates of tomatoes in a carload. We used to pay some fifteen cents per crate on these tomatoes, making $150 a carload. Reading some of the Liberal party's own election propaganda, I saw that the valuation was so increased as to result in a duty not of $150 but of $355 per carload on tomatoes, while peaches and pears were increased proportionately. I cannot understand how any government or any man would so trade on the rights of the people, particularly those on whom the burden bears heaviest, as to make their food so much more expensive. Why is it done? One gentleman in the United States a little while ago said that the tariff was always a dicker between the politician and the man who thought he would like to be protected. What does that imply? It implies that this is done for a consideration. The Minister of Customs last summer increased the duty to the extent I have mentioned—for whose benefit? Who got the benefit of that increase? The raiser, the producer? No. It is entirely a distributor's measure from beginning to end, and I say from my place in this House to-night that it passes my comprehension how any man or any government can trade on the rights of citizens in this way without a consideration of some sort, either in the way of campaign funds or otherwise. Such is the tariff and such it will always be, bringing our public men under suspicion year after year until the name of politician has come to be something to be suspected. These are evils we want removed.

[Mr. Evans.]

Two of the greatest evils we have to face are the tariff and liquor. Smuggling has gone on to such an extent that we are trying the friendship of the country to the south, which has always been at peace with us. It seems to me that unless the people take the thing in hand the liquor traffic will ultimately control the Dominion, as indeed it is very largely controlling it now, so much so that the new Minister of Customs this last summer was appealed to to do things which otherwise I am sure he would not have done. Even the sacks used in connection with the liquor traffic were allowed to go free of duty just so that bootlegging might be facilitated, and for the convenience of the bootlegger himself. Not only did the Minister of Customs break the law of the land in doing so, but he also violated the spirit of a treaty we entered into with the United States. These things ought not to be.

Then let me deal with another discrimination, the grading of grain in western Canada. The seasons of 1925 and 1926 were unique in the history of Canada for fickle weather, and a tremendous quantity of damp grain has been coming forward. In 1925 we found that the grain commission was not equipped to deal with the situation as it then existed. The government, or the grain commission, I do not know who was responsible, denuded the laboratory in Winnipeg of its equipment and staff and left the chief in that city without even a charwoman to look after his office. When this damp grain came forward in such volumes there were no moisture testing machines or experienced men to deal with it, with the result that dissatisfaction exists to-day all over western Canada. This is only another way in which the west is being bled, we are losing thousands and thousands of dollars in every community because of improper grading.

I have just one further word, and this time it is dealing with the word "status"; I am not confusing this with the word "stature". A good deal has been said regarding our status in the empire. I am not so particular about

the status which we enjoy as a part of the great British commonwealth, or the British Empire; what I am more concerned with is that each part of this Dominion should have an equal status. Is it right that Ontario and Quebec, because of a heavier representation in this House, should pass legislation and wield the big stick over the provinces which have not that representation? If we are going to be a successful country and confederation, all parts must enjoy the same freedom before contentment will result. I think we have the finest country on God's earth; no other people in the world are so blessed with natural resources as we are in Canada. We have nearly everything we want; living should be cheaper in Canada than in any other country of the world; production should be cheaper as well, but to-day we find the cost of living in Canada the highest, I think, in the world. This should not be. Every province must have equality, and every class must have equal opportunity. I think this is the great task of statesmen in Canada to-day. Confederation presents a challenge to the people of this country; different parts of Canada are talking secession, because we are not equal; we are discriminated against; discrimination exists as between the rights of one citizen and another. This can be remedied by the government, and no other government since confederation has had the opportunity which is before this government to-day. Let them remove some of these inequalities. This is the test of statesmanship to-day, and we wonder whether they will rise to the status of statesmen or continue to wallow in the slough of expediency.

Mr. MICHAEL LUCHKOVICH (Vegreville): Mr. Speaker, my fondest wish at the present time is that my voice could be as great as the province from which I come, and that my eloquence might be as lofty as the mountains which skirt the western part of that province. I could then voice the sentiments of the inhabitants of that fair province in a manner befitting its greatness and the important part it is bound to play in the affairs of Canada. Being a new member, however, and never having run the gauntlet of Liberal and Conservative criticism, I feel that I am taking a chance of being heeded or even given a favourable hearing. I feel, however, that I am speaking as a citizen of a great country, to whom has been given the honour of representing one of its constituencies, and as such I hope this, my maiden speech, will be the beginning of a truer Canadian citizenship, a citizenship which I hope to impart to the people in my constituency, especially to those whose origin was in a foreign country. As it happens, I do not belong to a group commanding a very large membership, but that will in no way prevent me from doing my duty as a good citizen; on the contrary, I believe that only in this group can I do my duty conscientiously and faithfully.

During the past three days I have noticed that there are different stages to the debates in this House. There is the jollicose stage; then we have the bellicose stage, and finally the comatose stage. I saw evidences of the comatose stage this afternoon, when in looking at the other side of the House I saw and heard two or three hon. members vociferously snoring. We are now dangerously near bedtime, and I do not wish to speak at any great length; in other words, I do not wish to put any hon. member into the comatose stage.

In the speech from the throne there was brief mention of a substantial increase in immigration. The views of individual men are different on this subject. As a matter of fact, one hon. member has said that it is useless to spend a million dollars bringing settlers to the farms when that money could be spent more advantageously otherwise, but no matter in what light we view this subject, immigration is always before us, and it has been a policy of every government in Canada since confederation. I understand further that immigration from northern and central Europe has been urged, or at least looked upon with favour in certain quarters. In my constituency there are many immigrants of Scandinavian and Slavic descent, and I can vouch for the success attained by those men. They have, under the most trying circumstances, made good, and are now from every point of view first class citizens. I do not mean to say that I advocate bringing in immigrants only from Scandinavian countries and from countries of eastern Europe. There certainly must be a leaven of British in this country so that we can retain our institutions and our ideals as we have always had them in Canada. Individuals, however, differ very much as to the merits of an immigration and colonization scheme. Some would like to follow the United States in her "partly-closed policy", and stem the tide of agricultural people from eastern and central Europe. Apprehension is being felt for the safety of this country if this influx is not stemmed. It is based on a fear that the foreign stock resident in Canada would soon be out of a safe proportion to the native stock; that the Canadian farmer would be menaced with an agricultural over-production. These conditions really do not exist in Canada and in view of our present state of under-development,

therefore, such an apprehension is absurd. The United States followed for a century the open door policy. Her population now is actually over the hundred million mark, and she is thus in a position where she can quite readily overtake human wastage from natural increase. In such a case a limited immigration is quite justified. But to Canada, in her undeveloped condition, the same argument cannot be applied.

A few weeks ago I met a man on the train coming down from Alberta to Winnipeg and he asked me why it was that so much of the comparatively poor land in Alberta was occupied by the peasant class, by Ukrainians. He thought that some of the farms would be the last place he would settle on. This friend of mine unconsciously gives us the keynote to the whole situation. About one third of the arable land of Canada is alienated and occupied. It is almost safe to presume that most of this area of arable land already occupied comprises the best land. The remaining area of unalienated arable land would be either medium or inferior. Here we have our problem. It is these medium and inferior lands that we must try to colonize successfully. How are we going to do it? These lands can only be reclaimed by intense human labour, and this involves clearing, the digging out of stones, drainage, and breaking. It involves years of patient industry, self sacrifice and self denial. No one but a pioneer of great sturdiness and endurance could successfully create for himself a home on such land. That type, I believe, can be found in the central European peasant. He has shown us in the past that he is quite capable of surmounting the difficulties incidental to pioneer farming, and that he possesses all the virtues and qualifications essential to such a task. Of course it is quite understandable why an influx of settlers from European countries should be a cause for alarm from a patriotic standpoint. British sentiment, ideals and institutions might be endangered. I do not think so. Take the United States for instance. For a hundred years immigrants have been coming into the republic from every European country, but her institutions are just as strong to-day as they ever were. It is a very significant fact that the children and grandchildren of those immigrants are just as loyal to the country of their adoption as the native born are. Our problem will not be helped at all by discrimination, or by making the foreigner the goat of all our social unrest. To discriminate means to alienate, and alienism only leads to a worse problem. What is needed primarily is clear and sane thinking. I do not see what we have to fear in the peasant. It is true that when these people first came here thirty years ago they were somewhat unobtrusive so far as taking part in civic affairs is concerned. They did not seek to exercise a directing influence in the affairs of this country because they were too busy establishing homes for themselves. But to-day, after the lapse of all those years I can safely say that they are beginning to make an intelligent contribution both to our social and political life. As evidence of this we have hundreds of their children in the professions, and some are serving a political representative capacity. Measured by all standards they are quite susceptible to Canadian ideals and influences. As far as they are concerned the question of citizenship is bound to arise, but it will come best if allowed to come in a natural manner. That course has been followed successfully in the United States, and there is no reason why the same success should not be encountered in Canada. The process of amalgamation is, I think, inevitable.

In dealing with this question I am reminded of the remark of an Irish politician, who, in speaking of immigration, said: "Don't worry about the foreigner. In about ten years he will get out of the skinned class into the skinners, and he will then be as patriotic as any of us."

Some day it is hoped our province will get control of its natural resources. At the present time Canada is very much underpopulated Here again we differ from the United States The latter country has sufficient area and resources for its people and enough people for the development of its resources. In Canada our resources are plentiful but the population is insufficient for their development. There is in Canada, also, another peculiar condition. Our agriculture and manufacturing production, our railway mileage and commerce, and all our other industrial enterprises are far out of proportion to our population, as compared with most other countries. I believe that by bringing in immigrants animated with a genuine pioneer spirit this condition could be amended.

I notice also in the speech from the throne that those government measures which passed the House last session, but which failed to become law, will be reintroduced. For one thing it is sincerely to be hoped that the Canada Grain Act amendment will be brought in again. In the next place legislation on rural credits if enacted will not only be of assistance to farmers and workers already

located here but will be of material benefit in connection with an immigration policy.

There is also the question of railroads. A country that produces the world's best wheat and oats, such as the Peace River district, must offer unrivalled opportunities for settlement. It is a region of marvellous productive ability, with many thousands of acres of cheap land awaiting the settler's plough. A great immigration movement could be started in that direction. The only thing necessary to bring that about is an announcement that the Peace River district will be given an outlet to the Pacific coast without delay.

Another railway which would be heralded with great joy by settlers in northern Alberta south of the Saskatchewan river, is the new railway which the Canadian Pacific is building from Cut Knife, Saskatchewan. The influence of the government in speeding up construction on this line would be greatly appreciated in that part of the west. As it is now many of the settlers there, and the district is very well settled, have to haul grain as many as forty or forty-five miles to the nearest point of transportation.

It is also to be hoped that the government will not discontinue grants to B-circuit fairs. Such fairs are of immense educational value to the communities in which they are held. A discontinuance of such grants would kill all interest in such fairs, as the committees in charge depend largely on these grants to finance their undertakings. It is said by some that it would be better to give grants to fairs in cities like Toronto. I think that even cities like Toronto get most of their exhibits from small country places as Vegreville and other towns of its size.

This morning I received a resolution from the Town Council of the town of Tofield, which reads as follows:

> Resolved, that whereas Cooking lake forest reserve contains much arable land and land suitable for the raising of live stock, and while it is at present being used by the Blackfoot Stock Association to some extent for the ranging and pasturing of cattle, this town council is of the belief that this land could be best utilized, and would become of the greatest use to the greatest number if it were thrown open for settlement and homestead entry.
>
> We therefore suggest to the hon. Minister of the Interior, for his consideration, that that portion of the Cooking lake forest reserve lying south of the Edmonton-Mundare highway be thrown open for homestead entry with the right of pre-emption, or purchase at a reasonable figure, of a further quarter-section.

I happen to know this Cooking lake reserve. It contains about 66 sections of land, and if it were settled on the basis of one settler for each half section, about 130 settlers could be placed on it. I think it would be a far better scheme to place these settlers on the reserve than to have the reserve used as it is now by the Blackfoot Stock Association for the ranging and pasturing of cattle. I think it would be of greater advantage not only to that community itself but to Canada as a whole if this land were thrown open to settlers. I hope, Mr. Speaker, that the government will take cognizance of the remarks I have made.

Mr. T. L. CHURCH (Toronto Northwest): As one of the members from the province of Ontario, Mr. Speaker, I wish to say a few words to-night on this debate. I very much regret that in the speech from the throne the government have given no indication that they are going to take any active steps to solve the economic ills of the country. There is the problem, for instance, of unemployment. Unemployment to-day in the larger centres of population is very acute. I might refer to the unemployment in the large manufacturing city from which I come. I know the conditions there, and I know that in the past few days very rapid preparations have been made by the social and charitable institutions and public bodies of various kinds in the city to try and cope with the unemployment situation with which we shall be faced this coming winter. I regret, I say, that the government in the speech from the throne has announced no definite policy for taking care of the economic ills in the larger centres of population in this country. They have no practical solution of these problems to bring before the House and the country at the present time.

One of the essential features of a speech from the throne is to give the representatives of the people in parliament the opportunity of bringing before the House and the country the economic problems that are facing the country, with a view to applying a remedy to the disease, if there is any, that affects the country. Looking over the speech from the throne I find that it deals very largely in platitudes. It says something about the coal question. Well, Mr. Speaker, for five successive sessions the question of a national coal policy has been before this House, and what has the government done? Has it done anything to bring Nova Scotia coal to central Canada? Has it done anything to bring Alberta coal to central Canada? No. The government has simply made a political football of the question for the past five sessions. This question of a national fuel supply was to be referred on the 7th of March last to the railway commission. How did they treat the

question? They have not yet had a hearing upon it, and I notice in the press of to-day that representatives of the government of Alberta are coming to interview the government of Ontario with a view to getting this question before the railway commission. What is the railway commission for if it is not to take up urgent national questions such as this, which mean so much to the working classes of this country? Yet no hearing has as yet been given by a commission paid and sworn to act promptly.

I support protection, Mr. Speaker, as a principle, not as a privilege. I believe that the proper application of the doctrine of protection will solve all the economic ills of every province in Canada from Vancouver to Halifax. It will solve the problems not only of the great manufacturing industries in this country, but of the agricultural industry, the great wheat-growing industry in the west, and it will solve the economic ills we have in central Canada and in the maritime provinces. I am not ashamed to declare myself a national policy Conservative. I believe that the protectionist principles of the national policy can alone draw together the varied interests of the Canadian people so that we shall become one great economic unit. These principles can join the mines of Alberta and Nova Scotia to the markets of Ontario and Quebec. Despite what Sir Henry Thornton has said, despite his sneers at the lunch-counter idea of reducing freight rates, I say here and now that Canada may just as well run a system of lunch-counter freight rates if that will mean keeping the Canadian workers employed at home instead of having to go to the United States to look for a job; we might just as well have this lunch-counter system of freight rates and employ Canadian workers as to increase freight rates and add to the number of dollars of Sir Henry Thornton's salary and the number of private cars in his service.

With a proper application of the national policy, the ideal of protection is the one true and enduring foundation for the future prosperity of this country. The national policy, rightly understood and wisely applied, recognizes no difference between the problems of war and the problems of peace. There is the principle of protection in war. All the resources of a country are mobilized in war time for the country's defence. We can apply the weapon of the tariff in times of peace to solve the economic ills of the country. When in war time we are invaded by a foreign enemy, our resources in men and money are mobilized and concentrated at a point where the invader

can be beaten back. In peace time we are invaded by unemployment, stagnation, and other economic ills, and it is then that the country's money and thinking power should be concentrated at the point of danger.

I am proud to serve in this House as a representative of one of the divisions of Toronto, and we are just as much interested in Toronto in the economic ills of the west and of the maritime provinces as we are in our own. I am as much interested in the ills of the maritime provinces and the ills of the western provinces as I am in the ills of York county. I support the building of the Hudson Bay railway on the protectionist principle. It is advocated by hon. gentlemen to my left who are free traders where other people are concerned, but protectionists where their own interests are concerned—free traders so far as eastern Canada is concerned, but protectionists where their own interests are concerned, and the Hudson Bay railway is one of them. I, Mr. Speaker, am a consistent protectionist. I support protection as a principle, and not as a privilege. The people of the west are content to leave it to the law of supply and demand to provide markets for eastern industry, but they are not content to leave it to the law of supply and demand to provide railways for western agriculture. I have been giving some thought to this question, and I am for the national policy, Mr. Speaker, even if the protectionist principle of the national policy requires the building of the Hudson Bay railway for the protection of the agricultural industry in the west from its competitor to the south, and to protect the farmer from loss of profit in marketing his product.

In addition, I am for the national policy of protection to the hilt as applied to the problems of the far distant maritime provinces. I believe that with a proper application of the doctrine of protection we shall be able to solve the economic problems of the maritime provinces. It was the free trade policy of the Liberal party that landed the maritime provinces in the condition in which they find themselves to-day. For forty years the Liberal premiers in the maritime provinces treated the resources of those provinces—the products of the sea, of the soil, the forest and the mine, the timber wealth of those provinces, their water powers, and their great basic industries—on the free trade principle. To this favourite a timber limit would be granted, to another favorite a coal mine, to another a water power, with the result that the Liberal party gave away the resources of the maritime provinces under free trade. They were like Santa Claus taking down presents from a Christmas tree. I believe that a proper

application of the doctrine of protection will solve all the economic ills of the maritime provinces, and as one of the members of Ontario I will support the general principles of the Duncan report.

I believe that the people of central Canada, especially Ontario—and no province is suffering so much to-day from economic ills—will support active aid to the maritimes as a necessity. We certainly need a ginger group in this House for Ontario, to dwell on Ontario's economic ills also, which are acute. The people of the province of Ontario believe in the confederation doctrine of all for each and each for all. That is the doctrine which should rule this country in any modern confederation. I may say that if confederation cannot be made a commercial success in the maritime provinces, the people of the maritime provinces must be in a very bad condition. The people of the maritimes for more than forty years put their trust in the idol of free trade and in the interests of Montreal greed. The maritime provinces allowed the incompetence of free trade rulers at Ottawa from 1896 to 1911 and the incompetence of corporationist free traders in at Halifax 1882 to 1924 to fritter away their opportunities for growth and prosperity and give away their public assets. The incompetence of private ownership greed in Montreal with some assistance from the same forces in Toronto butchered the great possibilities of the maritime provinces in the production of coal, iron and steel and in the production of power. I believe it is the duty and the mission of the Conservative party to revive and extend the good old national policy and apply those ideals as the hydro Conservatives of Ontario applied those ideals. The principles of the national policy forbid us to come here to serve the local needs of the sections where we live. The principles of the national policy require us to come here and think and vote in the spirit of the old Cornish battle cry, "Each for all and all for each." That is the battle cry of the national policy breed of protectionist as opposed to the battle cry of the hon. member for Brandon his leader and his followers, whose policy has emptied nearly five hundred thousand Canadians out of their own country since 1921, the semi-free traders who fight under the banner of a tariff uncertainty that is worse than free trade, the star-spangled music of the war cry, the United States for Canada and Canada for the United States. That is the kind of protection I would apply to the various provinces of confederation. We have no jobs to keep our own Canadian born at home. The greatest problem of the immigration policy is to devise a scheme to stop the emigration to the United States, which has amounted to nearly half a million Canadians since 1921.

That is the first corner stone in the immigration policy. Instead of forcing our own Canadian born citizens to go to the United States we should supply them with jobs in our own country. This can be done by developing our natural resources and our raw materials, thus preventing nearly half a million of our citizens leaving for the States every year. We are losing all those wages which now go to the people of the United States. If we had a proper system of protection we would have enough work in our own country for our own unemployed, not only on the farms but in the urban districts.

Another phase of the immigration policy is the bringing of immigrants from the British Isles. Why should we bring immigrants from England to Canada if we have no jobs for them? Because we have not even jobs for the Canadian born worker. At the present time Canadian money is going to the United States at the rate of nearly $500,000,000 a year. These workers are now living under the Stars and Stripes when they should be in Canada serving under the Union Jack. The policy of the hon. member for Brandon (Mr. Forke) is a policy for the suppression of opportunity for employment of Canadians in their own country and the employment of British workers in Canada. The hon. gentleman has done little or nothing in the matter of an immigration policy. Fancy this country having a free trader as a commissioner on immigration. How can there be any immigration under free trade? How can we furnish jobs for our working men under a policy of free trade? If we cannot supply jobs for the half million men who have gone to the United States, how in the name of heaven can we supply jobs for immigrants who come here under our policy of free trade.

I said that the policy of the right hon. Prime Minister and of the Minister of Immigration was a policy of enmity to the production of jobs for Canadians. I take back that statement, in part. The policy of these gentlemen has made Ottawa the seat of a great industry, an industry that manufactures jobs for broken down politicians. The workings of that policy have made Canada a nation—yea, a nation of ambassadors.

This government have stated that they have nothing to do with unemployment; that under the British North America Act unemployment is for the provinces and municipalities. We say to the government to-night that unemployment is a matter for the federal government

under section 91 of the British North America Act. They are in charge of the tariff, the banking laws, the transportation laws, the immigration laws and are responsible for the exodus of Canadians from Canada; and the blame for the present condition of unemployment rests on the federal government. Instead of the government dealing with this problem, they say nothing about it in the speech from the throne. They are not ready to go as far as they did years ago when they were prepared to pay one-third of the cost of unemployment relief, the provinces and municipalities to pay the rest of the cost. It is all very well for them to make a football out of it. The responsibility is with the Dominion government of the day to see that the people of Canada do not suffer, to see that some remedial legislation is introduced into the House. I regret to observe, however, that no such amendment for the benefit of the worker has been mentioned in the speech. Parliament has legislated for the benefit of the trusts and combines, the bankers' association, the railways and others, but when it comes down to a question of doing something for the unemployed in the urban centres of population, the government is content with a policy of drift, and will do nothing to try to remove the burden from the working classes of this country. The first duty of a government is to look after the health and condition of its people.

It was charged in this House last session and the session before that the Conservative party was the servant of the big interests in Canada. I have some speeches of the Prime Minister made in the country to this effect. I say that the Conservative party serve no big interests in this country, I can speak for myself. Personally I do not serve any big interest, and some of us have suffered in the battle against the big interests and are prepared to suffer again in defence of public rights against these same interests. The speech from the throne should have announced some social legislation to redress the grievances of the people who are suffering from the terrible disease of unemployment. In England the Prime Minister, Mr. Stanley Baldwin, although a Conservative, is an advanced radical regarding the solution of this unemployment question and also regarding the solution of other social questions. He has been content to apply a measure of protection to help the coal and great shipbuilding and steel industries weather the storm, by subsidies, subventions and protection, and in that way to help the working classes. But to-day unemployment in this country is a political football in the hands of the government. It is all very well to send an envoy extraordinary and minister plenipotentiary to Washington. I like and have the utmost regard and respect for the hon. gentleman personally and wish him well, but I will oppose on principle the granting of one dollar for the opening of an office in Washington while thousands of Canadians have to go to the United States as ambassadors to try to get a living there that they are denied in the country for which they fought. Apparently all the government can do to relieve unemployment is to give a lot of politicians jobs as ambassadors in Berlin, in Pekin, in Constantinople and in all the other capitals of the countries washed by the seven seas. A modern Shakespearian quotation would read:

> Regions Caesar never knew
> Kings' ambassadors shall know,
> Where his Eagles never flew.

A few favorite Canadians are to be appointed ambassadors at the public expense, while other Canadians have to go as ambassadors at their own expense to search in a foreign land for the jobs that they cannot find in their own country. Many of them returned men who fought for Canada in the Great war, at the hazard of their lives.

The great industrial system of the United States was built up on the principle of protection and solved unemployment. Nero never fiddled while Rome burned the way this government is fiddling in appointing a tariff commission to solve the economic problems of this country. The tariff is not a party question, it is a matter of economics that concerns our farmers and toilers in the various centres of population. But instead of announcing in the speech from the throne some measure of protection and safeguarding legislation that would solve our economic ills, nothing is being done by the government to relieve our unemployed who are asking for a job that they may get bread. Many industries are closed up altogether, others are working only 50 per cent, and even the great agricultural industry of the west is suffering.

If one industry in this country should be protected it is the grain growing industry. It is not a north and south industry; it is an east and west industry and an oversea industry to the markets of Britain and Europe.

I can tell the Minister of Immigration that his ideas of filling up the west are all wrong. As a specialist in filling up the United States the minister can point with pride to the result his policy has achieved in driving Canadians away from their own country to seek jobs in a foreign land. As a would-be

specialist in building up Canada the hon. the Minister of Immigration does not know what he is talking about. The minister cannot build up a great prosperous life on the western prairies by pumping wheat growers and still more wheat growers into the provinces between the boundaries of western Ontario and the Rockies. Feed the needs of the west on that sort of free trade diet and wheat will become so abundant the crop will not be worth 75 cents a bushel and the wheat growers of western Canada will be where the cotton growers of the United States are to-day, doomed to grow and sell wheat at less than the cost of production.

That will be the result of the policy of the hon. member for Brandon and his followers, and of the hon. gentlemen to my left who call themselves, U.F.A's, U.F.B's, U.F.O's and all the way down the alphabet, but in my opinion they are all Liberals. I notice that the hon. member for Southeast Grey (Miss Macphail), a young lady for whom I have the utmost regard and respect, has been deliberating on what side of the House she will sit. Nine hundred to a thousand Conservative voters voted for that splendid young lady under the belief that she was an independent and would exercise her independence in parliament for the benefit of the country generally, but on looking over the records I find that except in one instance she has always voted for the Liberal party in the past two parliaments. My experience in the last three parliaments is that the U.F.A's, the U.F.B's, the U.F.O's and the other letters of the alphabet, are Liberals first, last and all the time. There is really no necessity for any of our Progressive friends to hesitate as to where they will sit. In fact I am sorry that the other side of the House has not sufficient benches to seat the overflow of Progressive members on that side, where they all politically belong.

This United States first policy of "tariff uncertainty," dooms other Canadians to appoint themselves ambassadors at their own expense to search in a foreign land for the jobs that they cannot find in their own country. The great industrial system of the United States was built up on the principle of protection. In the early days of Horace Greeley the opportunities for employment in the United States were threatened by imports from Europe as the opportunities for employment in Canada are to-day threatened by imports from the United States. The Americans asked their rulers for the bread of employment. These rulers did not offer their countrymen the stone of free trade theory. No, and these rulers did not require the founders of American industry to go before a minstrel show of a tariff commission and persuade the interlocutor, the tambo and the bones who call themselves commissioners, that the tariff should be changed in favour of industries that would employ Americans in their own country instead of driving these Americans as Canadians are being driven to seek employment in a foreign country.

This parliament was summoned to Ottawa to consider proposals for the improvement of conditions in this country. The 432,000 Canadians who have been driven from their native land since 1921 are only part of the story. The other part is the work of that other "Excellency," Right Hon. P. C. Larkin and his anti-emigration officials at London. Until we have a pro-immigration policy of protection at Ottawa, we can have no jobs to keep our own Canadian-born workers at home, we can have no jobs to attract other British-born workers to these shores, The big part of immigration problem is a problem of stopping emigration to the United States with jobs for Canadians in their own country. The other part of the immigration problem is the problem of starting immigration from the British Isles with jobs. How can we have immigration without jobs to employ the native-born Canadians who would like to stay here and the British-born workers who would like to come here? How can we have jobs when Canadian money goes to the United States at the rate of five hundred millions in wages to workers under the Stars and Stripes when that money should be kept in Canada to pay workers under the Union Jack? The whole policy of the hon. the member for Brandon's leader is a policy for the suppression of opportunity for employment of Canadians in their own country and the employment of British workers in Canada. The natives of this land that have given some wealth to the hon. member for Brandon, the natives of the isles that gave birth to the same hon. member never had a worse enemy than the hon. member for Brandon and his leader. The policy of these hon. members has proved itself a foe to the creation of jobs for our own people who vainly seek employment that would keep them in Canada or jobs that would bring them to Canada from the British Isles.

I said that the policy of the Prime Minister and the policy of the Minister of Immigration was a policy of enmity to the production of jobs for Canadians. I take back that statement, in part. The policy of these gentlemen has made Ottawa the seat of a great industry; that industry manufactures jobs for broken down politicians; the workings of that policy have made Canada a nation, yea, a nation of

ambassadors. The Gaul of Caesar's Commentaries was divided into three parts; the gall of Canada's present rulers is so great as to be indivisible. That gall cannot be divided, especially the gall that asks this parliament to authorize the ambassador-cure for unemployment.

The policy of the hon. member for Brandon (Mr. Forke) can be summed up under two heads: First, that nothing that can be bought in the United States shall be made in Canada, especially in eastern Canada; and second, that everything that cannot be bought in the United States shall be imported from overseas, preferably from continental Europe—including Germany. The departmental stores in Toronto to-day, owing to the action of the Minister of Finance (Mr. Robb), for whom I have the greatest respect, in not providing a tariff dumping clause, are filled with cheap, shoddy German goods which are being offered to Christmas buyers while our own industries suffer and many are closed.

I have consistently advocated in this House the doctrine of protection in order to promote the manufacture of our own raw materials and some twenty minerals exported in a crude and semi-crude state, and to prevent their export to the United States in such large quantities as are being shipped out at the present time. The proper application of protection would mean a saving to the people of Canada of an enormous amount of money which to-day is going to enrich the country to the south of us. Ninety per cent of our imports from the United States could be manufactured in Canada, thus affording employment to our own workers and in that way providing a market for our home products to the mixed farmer and market gardener. According to the figures brought down as to July 31 of this year, our early imports of United States bituminous coal totalled 13,373,204 tons valued at $28,781,711. In addition to this our early imports of United States anthracite coal, amounting to some 3,362,631 tons represented a total of $27,256,806. So that we have a total for bituminous and anthracite coal of some $56,000,000, all of which money is going to swell the pay envelopes of some 70,000 miners in the United States. In other words, the people of Canada are contributing to the upkeep of United States communities to the extent quoted, notwithstanding that this money could be used in Alberta and in the maritime provinces to the advantage of 70,000 Canadian miners. This is the sort of thing which the Minister of Immigration and his followers are preaching. The free trade serpent is coiling itself about the whole body of our industrial activities.

[Mr. Church.]

Let me refer for a moment to the automobile industry. I have given the imports of coal and I will now mention those of automobiles and automobile parts to show what a huge sum is now going to the United States from Canada in this direction to supply wages to thousands of workmen across the border instead of being spent at home. I find that 97 per cent of the patents in connection with automobile parts are owned by aliens, many having to do with engines, doors, and so forth I would have all these parts manufactured in Canada and I would also see to it that motor trucks as well were made here. After the cars were manufactured I would apply the principle of protection; I would give 100 per cent protection. I would at the same time protect the consumer in this way: I would have an officer of the Finance department decide upon a fair market value in Canada, allowing for wages, overhead and so on; and after that I would allow a profit of 10, 15 or 18 per cent as the case might be, the balance to go into the treasury of Canada. In that way the automobile purchaser and the user of motor trucks would be protected.

With the free trade policy of hon. gentlemen opposite, we are sending out of Canada at the present time $38,906,337 in payment for American motor cars and parts. If this money were devoted to the manufacture of automobiles in Canada we could provide pay envelopes for a very considerable number of workers and we could maintain from eight to ten Oshawas instead of one. But free trade as we have it in the preaching of the hon. member for Brandon results in the employment of 150,000 workers in the United States, all of them kept busy manufacturing cars for use in Canada. There is no reason why we should not keep this money at home and employ our own workmen. The hon. member for Brandon will indeed be fortunate in his career as Minister of Immigration if he can do as much to fill up Canada in the future as he has done to send people to the United States in the past.

The policy of the Minister of Immigration and his followers begins with a job for His Excellency, the Right Honourable Vincent Massey. I believe I speak for my constituents, and I am sure I speak for myself, when I say that I am ashamed that the Conservative party can be justly charged with responsibility for the creation of the Canadian embassy at Washington. The Conservative party has to count its many blessings when the followers of that party remember all they owe to Union government and the joint leadership of Sir Robert Borden and Hon. Wesley Rowell. Had I been in parliament when Sir

Robert Borden submitted the proposal to separate the representation of Canada at Washington from the representation of Great Britain and the other British nations I would have voted against that triumph of iniquity of separating them, even though I had voted alone. So long as I am in parliament I will voice my protest and record my vote against the appropriation of one dollar of Canadian money to maintain the embassy at Washington. I am a Conservative after the fashion of Sir John A. Macdonald's principle: A British subject I was born and a British subject I will die. I have always been opposed to the doctrine of separatism. I notice that the Prime Minister (Mr. Mackenzie King) has brought home from the old country a portrait of Sir Robert Borden, painted by that great artist Orpen—not Abe Orpen the Canadian,—but Orpen the artist in the old land. Now while a staunch Conservative I am an independent Conservative as well and am proud to be such, and I will oppose the Conservative party through thick and thin in any tendency it may at any time show towards separation. When I read that this portrait had been presented to the Prime Minister it occurred to me that he ought to hang it in Laurier House, for I know of no one who has done more for the Liberal party than did Sir Robert Borden, Hon. Wesley Rowell, and his Union government. I am sure that if this separation matter had been made an issue in the last election many hon. gentlemen now occupying seats in this House would not be here. If they had taken a stand before the election such as the Prime Minister has taken in regard to our relations with the rest of the empire I have no doubt that many hon. gentlemen would have been defeated. This matter came up for discussion on 21st June last when there was introduced a motion of the Prime Minister (Mr. Mackenzie King) which at the time I construed as a straight separatist proposal. The motion was introduced by the Prime Minister on June 21 in this House and was debated by the hon. member for Labelle (Mr. Bourassa), myself and others. Some of those on this side of the House agree with Sir Robert Borden and Mr. Rowell. I was never a follower of the Union government; I voted for it because I had no option, but the Union government put the Conservative party in the cemetery. I have always opposed separatism and will continue to oppose it in this House so long as I am a member. I would like to repeat a part of the speech I made last June in this connection:

> Five hundred thousand soldiers who went to the front and fought for civilization in France and Flanders were satisfied with Canada's status. Fifty thousand of those gallant men lie buried in those countries; they were content to fight even unto death under Canada's status. They fought for Canada's status but did not ask that any change should be made in it; they did not ask for any increased status for Canada. Such being the case I think the civilians who stayed at home should also be satisfied with the status of this Dominion.
>
> Of the links that used to bind Canada to the motherland what links remain to-day? First there is our allegiance to the British crown; secondly there is the right of appeal to the Privy Council; thirdly any treaties into which we enter must have the sanction of the mother of parliaments.

As I said then, we are not an independent nation; we are not a nation at all, but a link in the chain of commonwealths making up the British Empire. There is no feeling in favour of annexation to the United States, and there is no desire to be an independent people. We cannot be independent; we could never stand against the nation to our south. A foreign fleet might sail up the St. Lawrence with not even a rowboat opposing it, while our toy navy is locked up in a garage in Halifax. We should be satisfied to meet with New Zealand and Australia and try to solve the economic problems of the different countries.

I do not believe the people of Canada are at all satisfied with the results of the last conference; nothing practical has resulted from it. It is all very well to talk about the status of Canada, but after all that is a mere academic question. It seems that some people would rather discuss an academic question of that kind than try to solve some of the inter-imperial trade and economic problems concerning this country. I am not at all content with what was done at the conference; if all the results obtained are set out in the speech from the throne, I think the delegates might as well have stayed at home. Where was Mr. Larkin and Canada House when this conference was going on? The representatives of New Zealand and Australia had a brief in a book containing all the economic troubles of their countries. What brief did the representatives of Canada have or work up? None. I would like to see it produced and laid on the table of this House. What material had all those experts of Canada House, London, concerning the economic ills of Canada? In my opinion the High Commissioner's office was not prepared to offer any constructive program to our sister dominions. At the conference Canada preferred to talk about our status and academic questions of that kind, and to sponge on the old country for our maritime freedom

when England is bearing the burden of taxation resulting from the war. We should be helping to carry the burden of that magnificent fleet which protects our shores both in times of war and in times of peace.

If we are a nation, ready made we must have a fleet. If we have attained this wonderful status; if we are independent, although we have sent half a million people to the United States to look for jobs, then we must have a fleet. Are we to wait until some foreign fleet sails up the St. Lawrence and blows up some of our great buildings? Under this new status, are we to issue Canadian passports instead of accepting British passports? I have never had an opportunity of going to the old country, but I know that if I ever do go I will want a British passport; I will not want a scrap of paper called a Canadian passport under our new autonomy and status as an independent nation under separatism.

In this connection I would like to quote an article which appeared in the Toronto Saturday Night a short time ago:

Saturday Night is occasionally accused of being too British in its sympathies by those "little Canadians" who secretly or openly advocate anything which may assist the severance of the British connection. This journal believes that those who advocate this course are not fully cognizant of the extent and importance of the benefits that Canada derives from its membership in the British Commonwealth.

The truth is that if, as we are told, it is more blessed to give than to receive, Great Britain has a better claim than Canada to a place in the Heavenly Kingdom. British taxpayers are now, and have been for many years, annually providing immense sums of money that would have to be raised here in Canada if British support were withdrawn. Consider, for example, the matter of naval defence. This is surely as relatively important to Canada with its Pacific coast just across the street, as it were, from the teeming millions of China and Japan, whose most urgent need is room for expansion, as it is to Great Britain herself. Canada would not survive many decades without adequate protection. Furthermore, sea-power is obviously needed to protect Canada's ever-gowing overseas trade.

And who now pays the cost of this protection? Figures published by the Federation of British Industries show that the estimated expenditure by Great Britain on naval defence of the Empire, during the fiscal year 1925-26, was approximately $302,500,000, by Canada $1,500,000, by Australia $19,605,725, plus a special appropriation of $5,000,000, by New Zealand $2,691,625, and by South Africa $699,465. The payment per capita of population in Great Britain was approximately $6.69, in Canada 16 cents, in Australia $3.16, in New Zealand $1.92, and in South Africa 42 cents. Thus it is obvious that the overwhelming proportion of the cost of the naval defence of the British Commonwealths is borne by Great Britain.

The total for Great Britain and northern Ireland was $2,730,000,000, with a per capita cost of $61.98; for Canada $145,000,000, per capita $16.72; for Australia $165,000,000, per capita $30.42; for South Africa $15,000,000, per capita $9.82; and for New Zealand $30,000,000, per capita $25.42. These figures clearly show the striking disproportion between the burdens borne by the British and dominions taxpayers.

In many respects other than national defence Canada benefits enormously by her partnership in the empire. For example, she is given the full use of Britain's world-wide diplomatic and consular facilities and pays therefor not one penny. The conception that many Canadians have of Great Britain as a tottering old lady depending for support on her stalwart sons is, of course, very far removed from actuality. Without the dominions of India, Great Britain would still be one of the world's mightiest powers, with dominion over 3,800,000 square miles and one hundred millions of people. J. L. Garvin, editor of the London Observer, wrote recently in this connection:

It is hard, and sometimes seems hopeless, to make the self-governing dominions understand that Great Britain, though never dreaming of keeping any kind of restrictions upon them in its own interest, is a mighty nation on its own basis; so that if—which heaven forbid—every single self-governing dominion were to secede to-morrow, Great Britain's remaining dependencies and protectorates would still cover millions of square miles, still constituting in productive area the largest and best and most valuable colonial system in the world.

And yet, Mr. Speaker, we are still prepared, under this policy, to sponge on the mother country, maritime freedom instead of taking a leaf out of the books of Australia and New Zealand at the last Imperial conference and doing something on a worthy scale in the interest of the empire and for maritime freedom.

There is a subject on which I should like to get some information from the government. I have noticed in the press within the last few days a despatch from Detroit and Washington that some ten thousand Canadians who live in Windsor and now working in Detroit are running the risk of losing their jobs in Detroit on January 1st and being deprived of their bread and butter. I think the government should look into this matter. Under this new doctrine of separatism, under this new brilliant status idea originated by the present government, Canada is going to resemble one of the many Latin republics of South America, and as a consequence although the city of Ottawa is known to-day as "the Washington of the North", this country will be stigmatized now as "the Mexico of the North". We may talk in vain about any solution of the problem of the diversion of water by Chicago. Under separatism we may say good bye to any hope of getting anywhere in the settlement of this question. In the treaty made between Great Britain and United States, Canada has not

been mentioned. This issue, which is of such consequence to Canada, is being treated as a football by the government and people of the country to the south. Instead of Canada calling upon the British government to enforce the treaty in question in our behalf we have only sent a representative to watch the proceedings in the Supreme Court of the United States, although the American courts have no more jurisdiction in connection with the Boundary Waterways treaty than has the Court of Revision in the city of Ottawa. I believe the people of Canada are thoroughly opposed to the principle of separatism involved in the government's policy as outlined at the Imperial conference. Personally I am entirely at variance with this principle as announced in the Speech from the Throne. The government talks about celebrating Canada's diamond jubilee, the sixtieth anniversary of confederation. Thousands of Canadians now working in United States—a half million—will not celebrate our diamond jubilee. They will be celebrating the Declaration of Independence and participating in the next Fourth of July festivities. What do they now care about the status of Canada and the diamond jubilee of confederation? It would be far better, instead of celebrating the diamond jubilee of Canada, to try and settle the economic problems of the Dominion, and thus repatriate the thousands of Canadians in United States, many of whom are returned soldiers who have crossed the international boundary in the hope of getting a job. We are told that confederation has been a shining success. That success would have been heightened immeasurably had we done something of a practical nature to solve Canadian economic problems and applied the principles of protection to our economic ills. Of course the people of Canada will gladly welcome the heir apparent, the Prince of Wales. He will be received with open arms from coast to coast. He will be greeted as Britain's greatest ambassador the world over. I am sorry that when the Prince of Wales does come he will see that so much has been left undone in the solution of the economic problems that confront this country. Had these questions been approached in the right spirit there would have been a more universal rejoicing over the celebration of the sixtieth anniversary of confederation. But the government has failed absolutely to deal with any of these problems in an adequate way.

We hear a lot about tax reduction and the Robb budget, the latter named after the popular Minister of Finance. We have had a reduction in the postage and a reduction in income tax, but let me say the Dominion government invaded the municipal field when they imposed income taxes. I advocated by resolutions in this House on three or four occasions—in 1923 and 1926—the reduction of what are called "nuisance" taxes. Last session I was asked to withdraw my tax reduction motions on this subject and was told that if I did so it would be incorporated in the budget. It was incorporated in the budget, but only in a modified form of income, sales tax, stamp tax, postage reductions.

The Conservative party in Canada is not discouraged even though it has met with a reverse. It stands before the people of Canada to-day as the constructive party, the cohesive party, the party that built up this country, the party that established the national policy in Canada and made a success of it, the party that preached the gospel of protection in all the provinces of Canada, the party that is supporting the maritime provinces to-day in its rights, the party that has all along been in favour of protection and advanced social legislation for the workers in this country. While it has met with a temporary reverse I believe that party has very strong support among the working class in Canada. New conditions will arise; new leaders will arise. The Conservative party to-day is the working man's party in this country. The trades and labour movement in the United States is a protectionist movement. The late Mr. Samuel Gompers was the greatest protectionist this continent ever produced. Great Britain is coming round to protection in connection with the Safeguarding of Industries Act. Every session of parliament over there witnesses advances along these lines. They are introducing into the British House social legislation for the benefit of the toilers which is in reality a protectionist movement. The Conservative party to-day stands for a protective policy brought up to date, which will benefit all the provinces. The hydro-electric policy established in Ontario by Sir James Whitney and Sir Adam Beck was a form of protection. These great men preached the gospel of preserving the water powers of Ontario for the benefit of the people. They fought the battle in Ontario of the masses against the classes.

Talk about the Labour party in this country! We have two gentlemen from Winnipeg. I do not see them in their seats tonight, but I have respect for their views: I believe they are sincere in their views, but they are not the Labour party, and simply

calling themselves the Labour party does not make them the Labour party. They do not represent the Labour people, for instance, of the industrial district from which I come. The trades' union movement, Mr. Speaker, is a protectionist movement. Mr. Gompers did not believe in a Labour party. He believed in a trades' union movement in the United States working within the two old political parties there, the Democratic and the Republican parties, with the result that the American Federation of Labour has been a force throughout the United States for the past twenty-five years, and has been an influence within the Democratic and Republican parties. So I say that to be a proper supporter of Labour you have to be a protectionist, because only by that gospel of protection can the working classes in this country preserve a job for themselves, so that they will not have to seek a living in the United States.

I very much regret that the government has not seen fit to announce in the speech from the throne some economic measure that will safeguard the industries of this country, and provide a dumping clause to protect our industries, to protect as well the great grain-growing industry in this country, and the market gardener and the mixed farmer in Ontario. The failure of the government to incorporate such a policy in the speech has been a disappointment to many of the manufacturers and the farmers and to struggling industries in this country, who were expecting that after we got a settled government we would have stability of tariff, instead of constantly nibbling at the tariff here and there. I regret very much that the government has not announced in the speech from the throne an adequate measure to protect the industries of this country, to ensure employment in this country, and make provision for those who are now out of work.

Motion agreed to.

On motion of Mr. Mackenzie King, seconded by Mr. Robb, it was ordered that the address be engrossed and transmitted to His Excellency the Governor General by such members of the House as are of the Honourable the Privy Council.

THE DEPUTY SPEAKER

ELECTION OF MR. J. FRED JOHNSTON, LONG LAKE

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, rule 13 of the House provides that at the commencement of every parliament, as soon as an address has been agreed to in answer to His Excellency's speech, a chairman of committees of the whole House shall be elected who shall serve as Deputy Speaker.

I desire to propose as Chairman of Committees Mr. J. Fred Johnston, member for the electoral district of Long Lake. Mr. Johnston has been a member of this House continuously for nine years past. He is a member of the last three parliaments and, as hon. members who have sat with him well know, he possesses many qualifications which eminently fit him to serve in the important position of Chairman of Committees and Deputy Speaker. On frequent occasions he has acted for the Chairman of Committees and Deputy Speaker, and in the discharge of the important duties of this joint office he will bring a knowledge of the rules required by careful observation and study, and in no small measure by practical experience.

I believe he may be expected to be both fearless and impartial in the exercise of an authority which, in its character, is essentially judicial.

I have, therefore, much pleasure in moving, seconded by Mr. Lapointe:

That Mr. John Frederick Johnston, member for the electoral district of Long Lake, be appointed Chairman of the Committees of the Whole House.

Motion agreed to.

SUPPLY BILL

Hon. J. A. ROBB (Minister of Finance) moved that the House go into committee of Supply.

Motion agreed to and the House went into committee, Mr. Johnston in the chair.

Mr. ROBB: As hon. gentlemen know, the estimates that have been presented this session are identically the same estimates that were presented at the last session, and most of them were passed at the last session. Tomorrow is pay day in the public service, and it is important that we should make provision as early as possible so that the public service not only in Ottawa but throughout Canada may get their cheques; for their families, like our own, want to be provided for over Christmas. As these estimates were fully considered at the last session I am not going to ask hon. gentlemen to go through them all again. If the House is unanimous, we can expedite the matter. I now move:

Resolved, that a sum not exceeding $64,590,350.74, being a proportion of the amount of each of the several items to be voted as set forth in the Main Estimates for the fiscal year ending March 31, 1927, laid before the House of Com-

mons at the present session of parliament, be granted to His Majesty, on account for the fiscal year ending March 31, 1927.

Mr. BENNETT: That is merely the unvoted portion of the general estimates?

Mr. ROBB: Yes.

Mr. GARDINER: Before this resolution is carried, would the Minister of Finance explain whether there will be any other opportunity of discussing these estimates, or will the committee, by passing these estimates now in block, be precluded from discussing various items in the estimates in the future?

Mr. ROBB: I think it will be quite reasonable for the chairman to allow very wide latitude in the discussion of these estimates when the main estimates for the fiscal year 1927-1928 are before the House. I might add that there are also supplementary estimates, which I am not going to ask the House to rush through at this time. I simply want to get this resolution through to provide for the public service to-morrow. As I explained before, most of these estimates have already been voted, but they did not receive the royal assent. I think we will allow full latitude in discussing the estimates when the supplementaries and the main estimates come up later.

Mr. GARDINER: I would call to the minister's attention that some very important items in the main estimates did not receive the consideration of this House at the last session. I do not think many members expected the House to go into committee to-night, and I would therefore suggest to the minister that he move that the committee rise and report progress, and let us go into the estimates to-morrow, in order to give those members who are particularly interested in certain items an opportunity to secure the information they desire from the government. I think that is a fair request, and I trust the minister will be able to acquiesce in it.

Mr. ROBB: I have no wish to rush the matter. All I want to make plain to the House is that if the public service is not paid to-morrow, the fault will not be mine. May I suggest to my hon. friend that we advance this resolution through its various stages up to the bill, and then allow a very wide discussion on the bill when it comes up. That will enable us to get along and have the Deputy Governor General come to the Senate and give royal assent to the bill; for of course we cannot pay out this money until the bill has received the royal assent.

Mr. BENNETT: We can reserve our rights under the bill.

Mr. ROBB: My hon. friend can reserve all his rights under the bill, if that is agreeable.

Mr. GARDINER: I understand this vote is to pay the salaries. That is practically all it involves. I would remind the Minister of Finance that it would hardly be opportune when the bill is before the House to discuss the important items that some of the members, I believe, desire to discuss, and I think it is asking a little too much of the House that, after concluding the debate on the speech from the throne to-night we should be asked to vote this large sum of money. We desire to help on the business of the session to the best of our ability, but at the same time I suggest the minister is not quite reasonable in this regard.

Mr. ROBB: I have no desire to be unreasonable and if my hon. friend wishes it to stand over I will not press it, but I repeat that most of these items have already been voted by the House and did not receive the royal assent. It is impossible, as my hon. friend understands, to pick out the salaries, and I want to make it clear to the public service that I am doing my best to provide for them. Three months' estimates have already been voted by the House and the money has been paid. If my hon. friend can give me the assurance that this will go through early to-morrow, so that we can get royal assent within a reasonable time during the day to issue the cheques for the payments I will not press it to-night. But I would not like it to appear that I had in any way kept the service from being paid to-morrow. I know that to-day messages have come to me from Quebec and Halifax asking when the cheques were to be issued.

Mr. BENNETT: I think my hon. friend from Acadia misunderstands the situation. If the House adopts the resolution to-night, and it is distinctly understood that on the second reading of the bill he may discuss any items of the estimates as though the House were in committee, then we will have advanced the supply at least a day, and will have enabled the House to rise a day sooner than we otherwise would.

Mr. ROBB: That is right.

Mr. MACKENZIE KING: Another factor that will have a bearing on the matter is that three months' supply of this past year was voted by the House and the money is spent. Another four or five months' supply

has been paid but under governor general's warrants. All the government is now asking for is permission to have voted the balance required to complete the year. If it is understood, as has been mentioned by my hon. friend opposite, that when the bill comes up to-morrow there will be opportunity for discussion on any point my hon. friend wishes to bring up, would that not meet the purpose he has in view?

Mr. GARDINER: I fully appreciate what my hon. friend says, but I would like to draw attention to the fact that if the supply is advanced it can only make a difference of twenty-four hours in payment of the staff. I can quite realize that is a consideration so far as the staff is concerned. In reply to my hon. friend from West Calgary (Mr. Bennett) I would point out to him this important difference between discussing the estimates on the second reading of the bill and discussing them in committee; that it is impossible on the second reading of a bill to secure information from the minister that possibly some member of the House might desire.

Mr. BENNETT: The minister says he will provide it.

Mr. GUTHRIE: The bill has to go into committee.

Mr. GARDINER: If the minister says he will procure the information, all right.

Mr. ROBB: Yes, I will endeavour to secure all the information I can.

Mr. GARDINER: All right.

Resolution reported, read the first and second time and concurred in.

WAYS AND MEANS

SUPPLY BILL

Hon. J. A. ROBB (Minister of Finance) moved that the House go into committee of ways and means.

Motion agreed to and the House went into committee, Mr. Johnston in the chair.

Mr. ROBB moved:

Resolved that towards making good the supply granted to His Majesty on account of certain expenses of the public service for the fiscal year ending 31st March, 1927, the sum of $64,590,350.74 be granted out of the consolidated revenue fund of Canada.

Motion agreed to.

Resolution reported and concurred in. Mr. Robb thereupon moved for leave to introduce Bill No. 3, for granting to His Majesty certain sums of money for the public service for the financial year ending 31st March, 1927.

Motion agreed to, bill read the first and second time and considered in committee.

Progress reported.

CHRISTMAS ADJOURNMENT

Right Hon. W. L. MACKENZIE KING (Prime Minister): On the assumption that we conclude the business to-morrow, I give notice that to-morrow I will move that when the House adjourns it do stand adjourned until Tuesday, 8th February, 1927.

Mr. GUTHRIE: That is only a notice?

Mr. MACKENZIE KING: Yes.

Mr. BENNETT: By consent that notice is given.

ADJOURNMENT

Mr. MACKENZIE KING moved the adjournment of the House.

Mr. SPEAKER: May I inform new members that every Wednesday the House sits at two o'clock according to the rules.

Motion agreed to and the House adjourned at 11.35 p.m.

Wednesday, December 15, 1926

The House met at two o'clock.

ATHABASKA ELECTION

On the Orders of the Day:

Hon. ERNEST LAPOINTE (Minister of Justice): In compliance with the request made yesterday by the hon. member for Peace River (Mr. Kennedy) I lay on the table of the House the interim and final report of Mr. Justice Clarke, commissioner appointed to inquire into the alleged existence of corrupt or illegal practices in the electoral district of Athabaska, and also the certificates of the Acting Attorney General of Canada, respectively.

CHRISTMAS ADJOURNMENT

Right Hon. W. L. MACKENZIE KING (Prime Minister): I move that when this House adjourns on the eve of the Christmas holidays it stand adjourned until the 8th February, 1927.

Hon. HUGH GUTHRIE (Leader of the Opposition): I am sure the House will not object to granting a reasonable adjournment.

There are special reasons at the present time why a comparatively long adjournment should be granted. We are all aware that the Prime Minister has been out of the country practically from election day to the present time, and the government have not had the necessary time for preparation. The date suggested would suit me very well, but a great many hon. members on this side of the House consider that an earlier date would suit their convenience and the convenience of the House better than the date now suggested. May I ask my right hon. friend to consider whether he could not make the date a week earlier, say February 1, or better still the last week in January. I think either of those two days would probably suit the convenience of most members of the House better than the date he has now suggested.

Mr. MACKENZIE KING: The government considered very carefully the point my hon. friend has just mentioned of endeavouring to suit the convenience of the members of the House by fixing as early a date as possible. We did think of asking the House to permit the adjournment until the 15th of February, but, on ascertaining the views of different members and conferring between the two sides of the House, we concluded that a week earlier than that would be preferable, and for that reason we have fixed the 8th of February. I ought to remind the House perhaps that there are a number of matters requiring the consideration of the government to which the government has had so far no opportunity to give consideration. All of this year has been taken up pretty much with matters of political discussion either in the House or outside of it. Many departmental matters which should receive the attention of the ministers have necessarily had to be left over until an opportune moment came for their consideration. The estimates for the coming year have to be prepared with care. It will take some little time for the ministers to determine finally the amounts to be placed in the estimates. We would like to have the estimates in readiness to be brought down as soon as parliament reassembles. It is not an easy matter, as hon. members opposite who have had experience will know, to decide on such matters as the estimates while parliament is actually in session. I would ask the House to show to the ministry that degree of consideration to which I think it is entitled at this time in allowing the extra week, which will mean a great deal to many of us in getting the sessional business in shape for the reopening of parliament. I can assure the House that it will be the effort of the government just as soon as parliament reassembles to have all its business in readiness to go on with immediately.

Mr. GUTHRIE: Hear, hear.

Mr. MACKENZIE KING: May I remind the House that we are through with the formalities attendant on the opening of the session, we are through with the debate on the address, and we will be at the point on February 8 that in previous years has not been reached until well on in February or March. So by reopening the session on February 8 we will really be very much in advance of what we have been for many years past at that period of the year. I would not ask the House to support the motion as introduced if I could not say honestly that we have given the matter very, very careful consideration and feel that in the public interest we should ask for an adjournment until that date.

Motion agreed to.

SUPPLY BILL

Hon. J. A. ROBB (Minister of Finance): Mr. Speaker, may I at this time ask unanimous consent of the House to proceed with the bill for supply so that once it is disposed of it may be sent over to the Senate?

Mr. SPEAKER: By unanimous consent.

Motion agreed to and the House went into committee of supply on Bill No. 3 for granting to His Majesty a certain sum of money for the public service for the financial year ending March 31, 1927, Mr. Johnston in the chair.

Section 1 agreed to.

On section 2, $64,590,350.74 granted for 1926-27.

Mr. GARLAND (Bow River): Mr. Chairman, I understand that last night the Minister of Finance (Mr. Robb) agreed that any item upon which an explanation might be desired by members would be open for discussion so that the explanation might be given. I am sorry, however, to notice that the Minister of the Interior (Mr. Stewart) is not present, as I should like to ask him why $18,000 is provided for in the estimates for the movement of coal when only a shipment of 2,000 tons was moved. The share the federal government was to bear was one dollar per ton, or $2,000 in all. Why the $18,000 in the estimates, and what is going to happen to the balance?

Mr. KING (Kootenay): Mr. Chairman, I wish to inform the hon. member and the committee that the Minister of the Interior has been ill during the past week and is not able to attend to-day. I regret that I have not the explanation referred to by my hon. friend.

Mr. MACKENZIE KING: May I say to my hon. friend that the fiscal year is not yet at an end, and some of that money may still be required between now and the end of March.

Mr. GARLAND (Bow River): In this case, Mr. Chairman, I should like to remind the government of the order in council which was passed, I think, on February 13 of this year, p.c. No. 225, which specifically instructed the railway board to immediately inquire and report to the government upon the question of the cost of transporting coal from both the maritimes and the west to the central provinces. Some delay ensued, a natural delay, for the preparation of counsels' briefs, but I understand that at this moment counsel on all sides are prepared to go on. The case could be disposed of for action at this session of parliament. If the Board of Railway Commissioners do not consider this matter of sufficient importance, even in view of the declaration on the part of the Privy Council of its immediate necessity, then no action can be taken until after the general rates inquiry is disposed of, which will delay any action on the transportation of coal for at least a year, thus losing two seasons' movement. I think, Mr. Chairman, it is of the utmost importance that the Prime Minister should assure the committee that he will use every effort to see that the instructions of the order in council of last year are carried out by the Board of Railway Commissioners at the earliest possible moment.

Mr. MACKENZIE KING: Mr. Chairman, my colleague, the Minister of Railways and Canals (Mr. Dunning), may be able on behalf of the government to give an answer to my hon. friend on that point.

Mr. DUNNING: There are, Mr. Chairman, a number of rate cases now before the Board of Railway Commissioners. The one to which my hon. friend refers I believe, if I heard him correctly, has to do with coal rates.

Mr. GARLAND (Bow River): The order in council.

Mr. DUNNING: Exactly. My information is that at the present time the board is considering an application that that particular case be taken up forthwith. But there are a number of orders in council referring various matters to the railway board, orders dated approximately the same date, and in some cases the decisions of the board with regard thereto have been appealed to the Privy Council, that is, to the government. I expect before the House meets again following the adjournment that the government will have to arrange to hear counsel representing the provinces of Alberta and British Columbia on one appeal and on another appeal the provinces of Alberta and Saskatchewan in connection with this matter. The government is becoming a sort of court of appeal from the Board of Railway Commissioners—not a very happy position to be placed in. The briefs are very voluminous, and apparently the government must under the law constitute itself a court of appeal. I will be glad to look into the question raised by my hon. friend, but I doubt very much if the government is justified in interfering and saying to the Board of Railway Commissioners, "You shall hear this case or that case first," except on a proper appeal being taken from the decision of the board as to the date of hearing that particular case.

Mr. EDWARDS (Frontenac): Mr. Chairman, I have no desire to take up more than a few minutes of the time of the committee, for I realize the general desire to close business this afternoon; but in regard to putting through these estimates, while I appreciate the fact that since the war there have been very many calls on the national finances which have prevented the government from giving consideration to very just claims for the spending of money in various parts of the country, yet I do want to say this, that these places which should receive consideration cannot be put to one side if money is to be spent in other places where it is needed less. Twelve years ago a lot was bought in the village of Sydenham in Frontenac for a post office. Nothing has been done since. Again, I say that I do not find any fault because of that delay, having regard to all the circumstances. I wish to impress upon the government this fact, that there are many places throughout Canada where small sums of money should be spent for the proper accommodation of the public, and these conveniences cannot be indefinitely postponed. I shall register my very strong protest against, for example, any disposition to spend any sum of money, large or small, in making changes in the city of Ottawa, such as have been suggested in the way of tearing down one or two blocks and putting up new buildings. I should not feel that I was doing my duty if I allowed works of that kind to go on and money to be spent

in that direction without offering any protest, after I have waited twelve years for an expenditure of five or six thousand dollars for a post office in my county, which expenditure is not forthcoming. There are many places that have had to wait, and with good reason. I do not want to offer any captious criticism of the estimates; on the contrary, the government will find me disposed to expedite their business along that line. But I expect from them a square deal and fair play, notwithstanding the fact that I am sitting temporarily on this side of the House. The county I have the honour to represent has never received one single dollar of public money from Confederation down to the present time, and in view of the fact that $1,000 was voted and paid out for a site for this post office I submit that my proposal for the expenditure of five or six thousand dollars is a very modest one. I want to impress upon the Minister of Finance (Mr. Robb), as I have already impressed on the Minister of Public Works (Mr. Elliott) and members of the government generally, the necessity for fair consideration of this matter when they come to prepare their estimates for the coming year.

Mr. LANCTOT: May I tell my hon. friend from Frontenac (Mr. Edwards) that I represent a constituency whose case is somewhat similar to his, the only difference being that mine is older by a few years. The site in my constituency was purchased in 1912 by the Hon. Mr. Monk, then Minister of Public Works, and we have waited ever since for some expenditure, just as my hon. friend has done. But as he points out, money has been scarce. Now I submit that if money is spent on a public building in the hon. gentleman's constituency I have a right to ask that the same thing be done for the people I represent. I shall have to ask my party to go ahead with the work in my constituency if similar works are proceeded with elsewhere.

Mr. COOTE: There has been a growing demand among the people of southern Alberta that the power of Spray lakes be developed. As the ownership of this power is in this government, I would like to ask if it is the policy of the government to allow development of power at Spray lakes.

Mr. KING (Kootenay): This matter is one that comes very largely under the Department of the Interior, and as the minister has been ill for the past week I would suggest that the question be brought to his attention so that he may advise the House and the hon. member at the earliest possible date.

Mr. GARDINER: Has the Minister of Agriculture any knowledge as to how much has been spent in connection with the destruction of animals under the tuberculosis test? If he has not that information will he briefly outline the policy of the department in this matter? Is it the same as it has been in the past or does the department intend making any changes?

Mr. MOTHERWELL: Under the Health of Animals Act the amount usually paid out for the destruction of animals is between $600,000 and $700,000 annually.

Mr. GARDINER: Is it intended to continue that policy or does the department purpose looking into new developments in that direction?

Mr. MOTHERWELL: We have a number of policies, one with respect to cities, one with respect to accredited herds, and one with respect to restricted areas. The latter policy we are extending very considerably, our hope being to have it apply in time to the nine provinces. The restricted area was introduced three years ago in Manitoba, under the provisions of which regulations all cattle are tested. Every animal that reacts is killed and compensation paid therefor. The area includes four municipalities of that province. This policy was extended to three counties in Quebec, and the whole of Prince Edward Island has been similarly dealt with. Later on the Fraser river valley district in British Columbia was made a restricted area, and six months ago another area was established east of Long lake in Saskatchewan. As I say, we hope to be able to apply it to every province in the Dominion. We plan then to take up the matter with the provinces with a view to dealing with the Dominion generally.

Mr. GARDINER: Is there any policy in the department looking towards further research, more particularly in connection with preventive work?

Mr. MOTHERWELL: Yes. Doctor Watson is conducting a very important research in Hull, Quebec. We are constructing a laboratory there to extend activities, and I understand from Dr. Watson that he is on the verge of very important discoveries in connection with immunizing vaccines to prevent the spread of tuberculosis among cattle. We believe that immunization and prevention will be far better than any policy of paying compensations after the animals are diseased. However, this is a matter of investigation at the present time. As my hon. friend (Mr. Tolmie) knows, research is going on in this

direction throughout the civilized world, and as Doctor Watson has made a record for himself in discoveries of a similar character, we are anticipating a good deal from his present investigations.

Mr. COOTE: With further reference to the power at Spray lakes, I would urge upon the government the desirability of reaching a decision as soon as possible. There has been a great deal of agitation in Alberta for the development of that power. I would ask the Minister of Labour (Mr. Heenan) another question, which is of very considerable importance. I refer to a serious explosion which took place in one of our coal mines in Coleman, Alberta, a few weeks ago in which ten men lost their lives. The mine had to be flooded to put out the fire that resulted from the explosion and considerable damage occurred. I know the Minister of Labour has received a request from the relief committee in the town asking the Dominion government to make a small grant to meet the distress. Has this request received the minister's favourable consideration, and will a small grant be made to assist the people of Coleman to relieve the distress caused by this disaster.

Mr. HEENAN: Mr. Speaker, as the hon. member has stated, we have received such a request and we are waiting for further details. The matter is under consideration.

Mr. COOTE: I would like to ask the Minister to give it his very best consideration. I would like to emphasize the fact that this is a very grave disaster. The miners in this town were working only three days a week for about two months prior to the accident, and the closing down of the mine has thrown them all out of work. Most of the men left families dependent upon them, in some cases aged parents, with very little means of support. The town is absolutely dependent upon the mining industry; I know that in the rush of departmental business sometimes these things are not given the consideration to which they are entitled. The government of the province of Alberta, after careful consideration has seen fit to make a grant to this relief committee. I might also remind the government that in 1924, at the time of the serious disaster at Hillcrest, a disaster much worse than this, when sixty men lost their lives, the government of the day made a grant of $50,000 to the sufferers. We are not asking the government to make any such grant, but we trust that they will be as generous as was the provincial government.

[Mr. Motherwell.]

Mr. WOODSWORTH: May I call the attention of the new Minister of National Defence (Mr. Ralston) to item number 89, "Cadet Services." In the main estimates $400,000 is provided, of which $100,000 was supplied through interim supply, and $252,587 under governor general's warrants. It would take a considerable stretch of the imagination to understand that this was a very necessary service in Canada. Notwithstanding the reiterated protests in this House with regard to the policy of cadet training, that amount has been expended. It is not my desire at present to delay the House with regard to this policy—

Mr. EDWARDS (Frontenac): May I ask the hon. member a question? When did this House enter a protest against that service?

Mr. WOODSWORTH: I stand corrected; members of this House protested. I would like to say that the organized bodies of labour and farmers in Canada have again and again protested against this policy.

Some hon. MEMBERS: No, no.

Mr. WOODSWORTH: Yes, yes.

Some hon. MEMBERS: No, no.

Mr. WOODSWORTH: If necessary, I can read the resolutions in that connection, and I will do so when I am speaking again on this matter. What I should like to reiterate is that these large representative bodies, as well as other bodies of citizens, have taken a strong stand on this matter and have laid their protests before the government. Therefore I would suggest to the new Minister of National Defence that in the preparation of next year's estimates he give due consideration to those protests.

Sections 2, 3 and 4 agreed to.

Bill reported, read the third time and passed.

ROYAL ASSENT

SUSPENSION OF SITTING

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

Sir,—I have the honour to inform you that the Right Honourable F. A. Anglin, acting as deputy of His Excellency the Governor General, will proceed to the Senate chamber to-day at 3.15 p.m. for the purpose of giving the royal assent to certain bills.

I have the honour to be, Sir,
Your obedient servant,
JAMES F. CROWDY,
Asst. Secretary to the Governor General.

Right Hon. W. L. MACKENZIE KING: (Prime Minister): Mr. Speaker, you have just announced that the deputy of the Governor General will attend in the other House at 3.15. I assume that there is no other business which hon. members wish to transact in the interval and in the circumstances I would suggest that proceedings be suspended until that hour.

At 2.45 p.m. the sitting was suspended until 3.15 p.m.

The House having resumed:

Mr. SPEAKER: I regret to inform the House that owing to a death in his family, Major A. R. Thompson, the Gentleman Usher of the Black Rod, cannot attend this afternoon. I have therefore received the following message from the Senate:

Resolved that a message be sent to the House of Commons to acquaint that House that it is the Deputy Governor's desire that they attend him immediately in the Senate chamber.

A. E. BLOUNT,
Clerk of the Senate.

Accordingly, the House went up to the Senate,

And having returned,

Mr. Speaker informed the House that the Deputy of His Excellency the Governor General had been pleased to give in His Majesty's name the royal assent to the following bill:

An act for the granting to His Majesty a certain sum of money for the public service for the financial year ending 31st March, 1927.

On motion of Mr. Mackenzie King, the House adjourned at 3.40 p.m., until Tuesday, February 8, 1927.

Tuesday, February 8, 1927

The House met at three o'clock.

VACANCIES

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

Of John Carey Douglas, member for the electoral district of Antigonish-Guysborough, by decease;

Of John Warwick King, member for the electoral district of North Huron, by decease.

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

NEW MEMBER

Mr. SPEAKER: I have the honour to inform the House that the Clerk of the House has received from the Chief Electoral Officer a certificate of the election and return of William Duff, Esquire, for the electoral district of Antigonish-Guysborough.

PRIVATE BILLS

FIRST READINGS

Bill No. 41, to incorporate Columbia Life Assurance Company.—Mr. Stevens.

Bill No. 42, respecting certain patents owned by Albert P. Frigon.—Mr. Mercier (St. Henri).

Bill No. 43, respecting the Ottawa Electric Company.—Mr. Chevrier.

Bill No. 44, respecting the Ottawa Gas Company.—Mr. Chevrier.

PARLIAMENTARY LIBRARY, PRINTING AND RESTAURANT

Mr. SPEAKER: I have the honour to inform the House that a message has been received from the Senate informing this House:—

That the Honourable the Speaker, the Honourable Messieurs Green, Hardy, Ross (Middleton), Sharpe, Taylor and Watson, have been appointed a committee to assist the Honourable the Speaker in the direction of the restaurant of parliament, so far as the interests of the Senate are concerned, and to act on behalf of the Senate as members of a joint committee of both Houses on said restaurant.

Also,—A message informing this House that the Honourable the Speaker, the Honourable Messieurs Aylesworth, Sir Allen, Beaubien, Chapais, Gillis, Gordon, Griesbach, Hardy, Hatfield, Laird, Lewis, McDougald, McLennan, Poirier, Taylor, Turriff and Webster (Brockville), have been appointed a committee to assist the Honourable the Speaker in the direction of the Library of Parliament, so far as the interests of the Senate are concerned, and to act on behalf of the Senate as members of a joint committee of both Houses on the said library.

And also,—A message informing this House that the Honourable Messieurs Aylesworth, Sir Allen, Buchanan, Chapais, Dessaulles, Donnelly, Farrell, Green, Legris, Lewis, McDonald, McLean, McLennan, Murphy, Pardee, Pope, Robertson, Sharpe, Taylor, Todd, White (Inkerman) and White (Pembroke), have been appointed a committee to superintend the printing of the Senate during the present session, and to act on behalf of the Senate as members of a joint committee of both Houses on the subject of the printing of parliament.

BUSINESS OF THE HOUSE

WEDNESDAY SITTINGS

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

That on Wednesday the 9th instant and subsequent Wednesdays to the end of the session the House shall meet at three o'clock in the afternoon.

Hon. HUGH GUTHRIE (Leader of the Opposition): It may have slipped my memory but I do not remember any notice having been given of this motion. It has come on me very unexpectedly.

Mr. MACKENZIE KING: Perhaps my hon. friend attaches more importance to the motion than he will if I explain it. Under the rules the House meets at two o'clock on Wednesday until a motion is carried that it shall meet, as on every day, at three o'clock. The custom has been to change that particular rule at the beginning of each session and meet forthwith at three o'clock instead of at two on Wednesday. This being the case I thought it advisable to put the motion immediately. I have no objection to letting it stand until the close of this sitting if my hon. friend wishes to discuss the matter with hon. gentlemen opposite, but I rather think it is the general wish that the House shall meet at three o'clock on Wednesdays.

Mr. GUTHRIE: I do not mind agreeing that we meet at three o'clock to-morrow but I suggest that the Prime Minister allow the motion to stand until we have had an opportunity of discussing it. Meeting at three o'clock instead of at two on Wednesdays takes an hour off one of the days allotted to private members. I am not sure whether or not, in consequence of the recess which we have had, private members are now to be deprived of Thursday. If I am right in assuming that they are, then Mondays and Wednesdays are the only private members' days now available, and Thursday becomes a government day. I do not want to curtail the rights of private members who may have motions which they desire to discuss, and I am afraid that such will be the effect if the present motion is carried.

Mr. SPEAKER: Rule 40 provides:

> Two days' notice shall be given of a motion for leave to present a bill, resolution or address, for the appointment of any committee, or for the putting of a question; but this rule shall not apply to bills after their introduction, or to private bills, or to the times of meeting or adjournment of the House.

In view of this rule I must rule the point of order not well taken.

Hon. J. W. EDWARDS (Frontenac): Owing to the recess which took up the month of January, private members, I understand, are deprived of Thursday, so that we have now only Mondays and Wednesdays. I think the government should take that fact into consideration. I do not believe the introduction of such a motion so early in the session will expedite the business of the House nor will it tend to shorten the session. I would ask the Prime Minister to take into account the fact, which I have pointed out, that owing to the recess, private members will not now have that full opportunity, which otherwise they would have had during an entire month, to discuss questions in which they are interested. I do not think that the motion ought to be pressed at this time.

Mr. MACKENZIE KING: Let me assure my hon. friend at once that I shall see to it that the rights and privileges of private members in this matter shall not suffer in any way by reason of the adoption of this motion. We will take care to see that the extra hour is made good to private members. The only reason for introducing this motion is that it meets with the convenience of all hon. members. When the rule for meeting at two o'clock on Wednesdays was observed it was found very frequently that the attendance when the House met at two o'clock on that day was very slim, most members being apparently unable to break away from the custom of attending at three o'clock.

Mr. SPEAKER: Shall the motion stand?

Mr. MACKENZIE KING: I move, Mr. Speaker, that the motion be amended to read that to-morrow the House shall meet at three o'clock.

Mr. SPEAKER: Is it the pleasure of the House to adopt the motion as amended?

Some hon. MEMBERS: Carried.

Mr. SPEAKER: Carried; the House meets at three o'clock to-morrow instead of at two o'clock.

THE COPYRIGHT ACT, 1921, AMENDMENT

Mr. L. J. LADNER (Vancouver South) moved for leave to introduce Bill No. 45, to amend and make operative certain provisions of the Copyright Act, 1921.

He said: This very bill was exhaustively inquired into and a great deal of evidence was heard by a special committee of parliament which sat during the session before last. The terms of the present bill are practically the same as those of the bill which was reported by that special committee, and the measure is being reintroduced now. It consists mainly of minor changes with one exception concerning licensing clauses. In other respects the bill contains no matters of great moment. During the interval between the session before last and the present time—that is to say, during last session—I had occasion as proposer of the bill to confer with

a number of organizations in different parts of Canada, particularly in Montreal and Toronto, and as a result some of the objectionable features of the original bill were modified. That aspect of the matter will, however, be discussed when the bill is considered in committee of the whole.

Motion agreed to and bill read the first time.

THE LATE MR. J. W. KING, M.P.

On the Orders of the Day:

Right Hon. W. L. MACKENZIE KING: Mr. Speaker, when parliament met in December the constituency of North Huron was represented in this House by Mr. John Warwick King, of Bluevale, Huron county, who was first elected to parliament in the general elections of 1921, and who was again returned in the general elections of 1925 and 1926. To-day the constituency as you have just reminded us, is without representation owing to the death of its member on January 14.

It is fitting, Mr. Speaker, that before the House resumes its duty we should give some expression of the sense of our loss, and of the sympathy which will be felt in all parts of the House with the relatives and friends who have been bereaved by the sudden death of our late member.

At the time of his death Mr. King had just entered upon his seventy-second year. He was born of Scotch parents at Smith's Falls, Ontario. He received his early education at Bluevale public school and at the collegiate institute of St. Catharines and of Collingwood and at the normal school in the city of Ottawa. For seventeen years he was a public school teacher in this province. He gave up teaching to farm in Huron county, and spent the last twenty years of his life as an agriculturist.

In politics Mr. King was originally a Liberal. He joined the Progressive party in the elections of 1921 and was on each occasion returned to parliament as a member of that party. In this House, while loyal to the party to which he had given his allegiance, he retained in full measure his Liberal convictions and sympathies, and wherever he felt justified in so doing, gave wholehearted support to my colleagues and myself. I mention this circumstance at the moment only because of the larger measure of loss which I feel we on this side of the House share in common with our Progressive friends.

Mr. King was of a quiet and retiring disposition. His voice was not often heard in debate, but his presence made itself felt in his frank and friendy intercourse with the members, and in his exceptionally faithful attendance in the House. He was a man who made many friends and I should imagine very rarely made an enemy.

A very short time ago Mr. King suffered a great bereavement in the death of his wife, whose loss he greatly mourned. They had no family, but he leaves behind him immediate relatives and many friends by whom he will be greatly missed, and to whom this House will extend its fullest sympathy.

Hon. HUGH GUTHRIE (Leader of the Opposition): Mr. Speaker, this is the second occasion within a comparatively brief space of time upon which the House has been asked to note the death of one of its members. Mr. King, the former member for North Huron in this House had, it is true, reached what is looked upon as the allotted span of life, but in appearance he retained many elements of youth and displayed great activity for a man of his years. During his career here he was most constant in his attendance, most diligent and assidious in the discharge of his parliamentary duties and while, as my right hon. friend has just said, his voice was not often raised in debate in this chamber, he was looked upon as a man of good judgment and strong common sense, a very valuable asset to this chamber and to the proceedings of this parliament. The loss of such a man will be felt here and perhaps in the constituency which he represented, more than in any other quarter. To his friends there and his friends here and to the relatives who survive him, we join in expressing our sincere sympathy.

Mr. JOHN L. BROWN (Lisgar): It is perhaps fitting, Mr. Speaker, that a member of the group with which Mr. King was more directly associated should express on this occasion our appreciation of the loss we have sustained. When I say that I shall always remember with pleasure my intercourse with Mr. King, I believe I express the sentiments of the group to which Mr. King belonged in this House. We always found him a genial companion, a man of unimpeachable integrity and sound judgment, and his voice was heard in the councils of the group of which he was a valued member. We recognize that that group has suffered a loss; we recognize that this House and the people of North Huron have suffered a loss as well, and they will be indeed fortunate if they find a successor to Mr. King who will be equally faithful to his duties, equally sound in his judgment and equally willing to give all his time and the best that is in him to the service of his constituency and his country. With the other members of our group I wish to express a sense of the loss we have sustained.

Mr. JOHN EVANS (Rosetown): Mr. Speaker, John King was a man greatly respected by the group to which he belonged from 1921 on, as indeed I think he was respected by all who knew him. He was in this House shortly before Christmas, and it was a shock indeed to most of us to read in the papers of his death. This is only another reminder that life is uncertain at the best. Although our friend has reached what is usually considered the allotted span of life, I believe he was still young in the strength of his ideals and in his hopes for the emancipation of his own class. We hope also that the people of North Huron will see fit again to elect a man with the ideals and integrity of character possessed by our friend who has passed away. I would like to convey the sympathy of this group to his friends and relatives.

FURTHER SUPPLEMENTARY ESTIMATES FOR 1925-26

A message from His Excellency the Governor General, transmitting further supplementary estimates for the year ending March 31, 1926, was presented by Hon. J. A. Robb (Minister of Finance), read by Mr. Speaker to the House, and referred to the committee of supply.

SUPPLEMENTARY ESTIMATES FOR 1926-27

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SUPPLY

The House in committee of supply, Mr. Johnston in the chair:

Resolved that a sum not exceeding $2,727,376.35, being amount of further supplementary estimates for the fiscal year ending March 31, 1926, be granted to His Majesty for the fiscal year ending March 31, 1926.

Mr. GUTHRIE: What item are we on?

Mr. STEVENS: The amount read by the Chairman covers eight items in all. I think that in this particular case each item should be read.

Mr. GUTHRIE: Item 374, providing for the payment of surplus funds of the Canadian wheat board—governor general's warran of August 19, 1925—is the first as I understand it.

Mr. STEVENS: The printed form shows that there are eight separate resolutions, all set forth in proper order and you, Mr. Chairman, read them as if they were just one resolution. That, I think, is not the proper form of procedure.

Mr. MACKENZIE KING: Very well, take the resolutions one by one:

Payment of surplus funds of the Canadian wheat board (governor general's warrant of August 19, 1925), $560,000.

Mr. STEVENS: I think the minister ought to give us an explanation of these items. I notice that each amount is covered by a governor general's warrant, and, of course, the government will be most anxious to explain the use of governor general's warrants in view of criticisms of the past. These are all passed, I notice, in 1925-26, most of them in August, 1925. We ought to have an explanation of each item from the minister.

Hon. J. A. ROBB (Minister of Finance): This item has to do with the Department of Trade and Commerce and the minister, as hon. gentlemen perhaps know, is absent to-day in Sarnia. This amount is for a governor general's warrant issued in 1925. Hon. gentlemen will recall that the profits of handling wheat during a certain period were paid to the receiver general. At that time I was the receiver general and I resisted very strongly paying the amount back to the provinces. But my hon. friends opposite, and my genial friend alongside of me (Mr. Dunning), who was then Premier of Saskatchewan, insisted that this money belonged to the people who had produced the wheat. The governor general's warrant is to meet that request.

Item agreed to.

Compensation to Crown Paving and Construction Co., on account of excavation work Edmonton grain elevator (governor general's warrant of September 1, 1925), $6,726.56.

Mr. STEVENS: Will the minister give us an explanation of this item, too?

Mr. STEWART (Edmonton): I can explain the item, but it will have to be pretty much from memory. This was a case in which the contract for the excavation of the Edmonton elevator was let at a fixed price, with a provision with respect to weather conditions. It was in the late fall when the work began, and very severe weather set in, but the architect, Mr. Howe, insisted that the contractor go on with the excavation under very exceptional and severe weather conditions. This is to provide for an allowance that was given the contractor for having performed the service during a period when it cost him a great

deal more money than if he had been granted the advantages of the weather provision in the contract. As I recollect them, these are the circumstances.

Mr. GUTHRIE: The only thing is that the minister's explanation hardly harmonizes with the date which is given in the item. A governor general's warrant for $6,726.56 was evidently issued on September 1, 1925.

Mr. STEWART (Edmonton): I beg my hon. friend's pardon?

Mr. GUTHRIE: September 1, 1925 is the date of the warrant as given in the estimate now before the committee.

Mr. STEWART (Edmonton): That was the date on which it was paid, but the work was done in January and February of the winter before.

Mr. GUTHRIE: A governor general's warrant for the expenditure of money can be issued only when the House is not in session, and only to meet urgent and necessary payments. This work, as I understand it, took place during the preceding winter, some time in January or February. Parliament was then in session, and the matter could have been brought to its attention and the necessary money voted. But the government allowed the session to conclude without making provision for this money, and then seven or eight days after the dissolution of parliament, folowed by a general election, they resort to the process of a governor general's warrant to make a payment which has stood evidently from the preceding winter, and which could not be either urgent or necessary in view of the circumstance. I think we should offer a reasonable protest to the issue of governor general's warrant under such circumstances.

Mr. STEVENS: I should like the Minister of Finance to convey to the Minister of Trade and Commerce, when he returns, a request that he lay on the table of the House all correspondence in regard to this item, also a copy of the governor general's warrant and of the order in council on which it was based.

Mr. ROBB: I will bring the matter to the minister's attention.

Mr. GARLAND (Bow River): May I point out to the ministers concerned that questions asked when the estimates were last before the House, I think on December 15 last, have not been answered, at least there has been no answer in my own case. I was promised an answer at that time which, however, has not yet been given. I would ask that some recognition be accorded the rights of members and that answers to questions be given by the minister from whom information has been sought.

Mr. STEWART (Edmonton): What minister?

Mr. GARLAND (Bow River): One of the ministers was not present at the time but the matter was to be brought to his attention by one of his colleagues.

Mr. STEWART (Argenteuil): I will be prepared to give my hon. friend an answer to his question to-morrow. I have not the necessary information with me to-day.

Item agreed to.

Payment of compensation levied against employers by workmen's compensation boards in respect of pensioners who are engaged in industry (governor general's warrant of September 7, 1925), $45,000.

Mr. STEVENS: We would like to have an explanation now in regard to this item of $45,000. The occasion for the warrant is not clear and we do not know what it is for.

Mr. ROBB: I frankly admit to my hon. friend that I have not the information before me. I will furnish the information to-morrow, and bring down any papers we have in connection with it.

Mr. DUNNING: It is the regular vote.

Mr. STEVENS: If the minister or his colleagues cannot explain it, it is rather difficult to expect us to appreciate why a governor general's warrant was necessary on September 7th, 1925, I think the very day of dissolution that year.

Mr. MACKENZIE KING: Oh no.

Mr. STEVENS: It was two days after my hon. friend's famous speech at Richmond Hill, and I think he will find dissolution occurred just after that.

Mr. MACKENZIE KING: No, dissolution took place the day of the speech as a matter of fact.

Mr. STEVENS: Then it was within two days of dissolution. I submit it is rather straining the credulity of hon. members on this side of the House to ask us, without any explanation at all, to accept this resolution:

Payment of compensation levied against employers by workmen's compensation boards in respect of pensioners who are engaged in industry.

My understanding of the various workmen's compensation acts is that they are provincial legislation, wholly under the administration of the provinces and presumably—I cannot say

because I am guessing at it—the government is compensating some of the employers for contributions to this fund. We ought to know who the employers are and the reasons why the government should contribute. It is an extraordinary vote. I do not recall having seen anything of this kind before parliament, although there may have been such cases. As I say, the money was paid on governor general's warrant two days after the dissolution of parliament. I think it is really asking a little too much to ask that we should pass this item blindly, without any explanation.

Mr. DUNNING: As I understand the situation, certain of the pensioners, partially incapacitated men, are employed by corporations and industries in various parts of the country. The employers co-operate with the pension board in that regard, but each employer in a province where a compensation board, a provincial institution, exists, is levied upon for his employees, and in the case of these pensioners, who are taken in as a national service by the employers, there is a vote, I think in the Department of National Defence, for the payment by the federal government of the workmen's compensation assessment with respect to such partially disabled men. It so happens that these supplementaries should have appeared in the estimates at the time of the last session of parliament. They are dealing with the fiscal year 1925-1926; hence the lack of preparation. But the matter happened to arise in going through the estimates before the Treasury board. This is an amount which is not easily calculable when estimates are made up.

Mr. STEVENS: All right. May we have the file laid on the table in this case?

Mr. ROBB: Yes.

Item agreed to.

To provide for additional outlay in connection with fighting fires in the Canadian national parks (governor general's warrant of December 3, 1925), $18,500.

Mr. STEWART (Edmonton): The explanation of this item is that with respect to forest fires we had one of the most disastrous years in the history of the country and we were about $18,000 short in our estimates.

Item agreed to.

To meet the cost of the salving of the H.M. G.S. Armentieres, (governor general's warrant of December 3, 1925), $40,000.

Mr. ROBB: This is to meet the cost of the salving of His Majesty's ship Armentieres.

[Mr. Stevens.]

Mr. EDWARDS (Frontenac): What was the value of the vessel?

Mr. ROBB: If my hon. friend will refer to the public accounts he will find the cost price.

Mr. EDWARDS (Frontenac): There would not be much sense in paying $40,000 for a vessel only worth $15,000 to $20,000.

Item agreed to.

To cover expenses in connection with the prosecution of an alleged combine in the distribution of fruit and vegetables in the provinces of British Columbia, Alberta, Saskatchewan and Manitoba (governor general's warrant of January 6, 1926), $60,000.

Mr. STEVENS: I am not criticising the vote, but very large sums were spent in connection with this case. It was a very noted case. Certain very large fines were collected. Personally, I would be satisfied if the minister would give us the particulars of this warrant, and, in addition to that, if the minister would lay on the table a statement of the total cost, to whom paid, and also as to the collection of the fines and to whom the fines were paid. Were they paid to the province, to the various cities, or to the Dominion exchequer?

Mr. ROBB: Perhaps it would be more in order if my hon. friend would move for a return.

Mr. STEVENS: No, the Finance minister misunderstands me. I am not asking for any large return. I do not want to go to that trouble, but here we have an item of $60,000. There are a great many instances other than this, but I ask merely for a general explanation of this item, giving the totals. Then there is the question of the fines. As I have already intimated, I think there was one fine of $125,000 and several other fines of $25,000 apiece. Could we have a statement showing whether those fines have been paid or not? I heard a rumour that some of the fines have not been paid. There was an intimation that some of them were remitted. Whether that is true or not I do not know. If the minister would give us a financial statement of the case, which is perhaps one of the most noted cases that we have had in recent times, it would be sufficient.

Mr. MACKENZIE KING: It is a departmental matter.

Mr. HEENAN: I will lay a statement on the table.

Mr. GUTHRIE: If the minister says he will lay a statement on the table that is all that will be necessary.

Item agreed to.

Supplementary estimates for 1927—charges of management—printing, signing, sealing and macerating Dominion notes—further amount required, $50,000.

Item agreed to.

Mr. EDWARDS (Frontenac): What about the second part of the item, Mr. Chairman? You read only the first part.

The CHAIRMAN: It seems that there are two amounts under the one heading, "Charges of management."

Mr. ROBB: I have not the information before me, but I observe that the government of which my hon. friend (Mr. Edwards) was a supporter and candidate issued a governor general's warrant in this connection for $18,142. So there could not be much wrong with the item.

Mr. EDWARDS (Frontenac): The point I was making was simply that the item had not been brought up by the Chairman. My hon. friend the Minister of Finance does not give me credit when I am trying to help him. I want to see the item carried.

The CHAIRMAN: The item is subdivided into two amounts. It is true I did not read the two parts of the item. The committee carried the item for $50,000. Shall the item for $60,000, for printing, advertising, inspection, express, etc., carry?

Item agreed to.

Justice—salaries—to provide for salary of a confidential messenger, $1,200.

Mr. GUTHRIE: I remember when I was the occupant of the office of Solicitor General, we had a very excellent messenger, but he was not described as a confidential messenger. I think he is still there, and my recollection is that in that office we did not have a very great deal for a messenger to do. May I ask my hon. friend the Solicitor General whether he is asking for an additional messenger, described here as a confidential messenger, or is there to be only one messenger in connection with that office?

Mr. CANNON: Only one.

Mr. GUTHRIE: The word "confidential" means nothing, I presume?

Mr. CANNON: I am not responsible for the adjective.

Mr. GUTHRIE: Is there any distinction in salary between the position of messenger and confidential messenger?

Mr. DUNNING: Yes.

Mr. LAPOINTE: I think it means a couple of hundred dollars more.

Mr. GUTHRIE: The other one was just an ordinary messenger. Might I ask if it is the same man?

Mr. CANNON: Yes.

Item agreed to.

Royal Canadian Mounted Police—salaries—to provide for the position of supervisor of ticket of leave, from April 1, 1926, to March 31, 1927, $3,840.

Mr. HANSON: Is this a new vote? I thought this was under the Justice department.

Mr. LAPOINTE: It is under the Justice department.

Mr. HANSON: It is the same item, is it not?

Mr. LAPOINTE: No.

Mr. HANSON: Is it a new vote?

Mr. LAPOINTE: Yes. This is a new position that has been created and classified and the appointment made by the Civil Service Commission.

Mr. HANSON: Is this a new appointee, or is this the same officer who has been doing the work in the department?

Mr. LAPOINTE: No, this is a new position. The work was done previously by an officer of the mounted police, but it has been found better to have the work done by a civil employee altogether.

Item agreed to.

Civil government generally—to provide for authorization by the Treasury board of salaries, reclassifications, revisions, promotions and increases, $70,692.48.

Mr. STEVENS: We ought to have an explanation of this item. I would ask briefly, is this a new vote, at whose instance has it been brought forward, and what does it cover? It mentions the Treasury board. I cannot see what reclassifications, revisions of salaries, promotions and increases there should be in the Treasury board to account for this additional $70,692.48.

Mr. ROBB: As my hon. friend knows, when the Civil Service Commission provide for reclassifications or advancements in positions, all these are brought before the

Treasury board after having passed the deputy minister. When the deputy minister prepared his estimates earlier in the session, there were certain reclassifications, promotions and salary increases that were not provided for, and this is simply to clean up matters in the different departments.

Item agreed to.

Penitentiaries—British Columbia—to recoup Workmen's Compensation Board, province of British Columbia, payment made on behalf of late guard R. E. Farrell, killed on duty; and to provide for continuance of pension granted widow by board at the rate of $50 a month, $2,069.30.

Mr. SPENCER: May we have particulars?

Mr. ROSS (Kingston): Has the minister received a similar application in the case of guard Jenkins, who was killed on duty at the Kingston penitentiary? If so, what action has been taken?

Mr. LAPOINTE: I remember having received an application for the widow of a guard who was killed while on duty at the Kingston penitentiary. I will take the matter into consideration and let my friend have the information.

Mr. ROSS (Kingston): May it be reconsidered under some other vote?

Mr. LAPOINTE: It can be considered on the estimates of this year.

Mr. EDWARDS (Frontenac): May we take this item as an indication of the general line of policy which the government intends to follow in similar cases? For myself, I would be prepared to give my support to such a policy.

Mr. LAPOINTE: As my friend will see, we are merely paying what has been granted by the Workmen's Compensation Board of British Columbia; we are complying with the judgment of a court.

Mr. EDWARDS (Frontenac): But that does not cover the $50 a month to the widow.

Mr. LAPOINTE: Yes, that pension was granted by the compensation board.

Mr. McGIBBON: Would not the government be equally compelled by the practice of the Workmen's Compensation Board in Ontario to carry out the same policy?

Mr. LAPOINTE: I think they would, but I will give my friend more information about this when we come to the main estimates, and probably before that date, because my friend from Frontenac speaks to me often on this question.

[Mr. Robb.]

Mr. EDWARDS (Frontenac): I would think the government, if not compelled, would be impelled to do so on the principle of equality of status.

Mr. LAPOINTE: Those are two good words from my hon. friend.

Mr. HANSON: Are all the penitentiary employees under the Workmen's Compensation Act in the various provinces?

Mr. LAPOINTE: No.

Mr. HANSON: What about New Brunswick?

An hon. MEMBER: They have no penitentiary there.

Mr. McGIBBON: Is the government not prepared to deal with this question now?

Mr. LAPOINTE: Had I known this matter would be discussed to-day I would have brought with me all the information relating to it. I regret that I cannot answer my friend to-day.

Mr. ROSS (Kingston): The minister might then be prepared to explain why this particular case is under the Workmen's Compensation Act of British Columbia and similar cases in the other provinces are not also subject to the various provincial acts dealing with workmen's compensation.

Mr. LAPOINTE: I will give the information to my friend later on.

Item agreed to.

Legislation—House of Commons—expenses of committees—further amount required	$89,925 02
To increase the salary of the secretary to leader of the opposition from $2,500 to $3,000 per annum from April 1, 1926	500
To provide for the full sessional indemnity to members of the House of Commons—days lost through absence caused by illness, official public business, or on account of death during the present session,—Notwithstanding anything to the contrary in chapter 10 of the revised statutes, an Act respecting the Senate and House of Commons, or any amendments thereto—payment to be made as the Treasury board may direct	10,000

Mr. CANTLEY: Is it the intention of the government to include the sessional indemnity of the late Hon. J. C. Douglas who, it will be remembered, died during the present session?

Mr. LAPOINTE: These estimates refer to last year. The question of the indemnity of the late member will no doubt be considered when the estimates for the present year come before the House.

Mr. GARLAND (Bow River): I should like an explanation of the second item, to increase the salary of the secretary to the leader of the opposition.

Mr. ROBB: It has been customary for many years to provide for the secretary to the leader of the opposition, and we thought this was a reasonable increase of his salary considering the work he has to do.

Item agreed to.

General—for distribution to members of parliament of publications of the League of Nations, $750.

Mr. GARLAND (Bow River): Do these publications include the publications of the Labour branch of the League of Nations? If they do, those publications are not coming to me.

Mr. LAPOINTE: My friend will see that the amount involved is very small. I know that the publications of the International Labour Bureau are printed as well as documents concerning the League of Nations. I find them in the library; I am afraid they are not distributed.

Mr. GARLAND (Bow River): I realize that the item is obviously not adequate to cover the cost of distribution of these publications to all the members of the House and Senate. Frankly, I think the information contained in many of the publications is well worth distribution, and I would suggest to the minister the desirability of increasing the vote in order that members might be supplied with copies of all these publications.

Mr. LAPOINTE: The suggestion will be taken into consideration. Meanwhile I may point out to my friend that he will find copies of the publications in the parliamentary library.

Mr. GARLAND (Bow River): Yes, but when you are two thousand miles away it is very difficult to hunt for those publications in the parliamentary library. It is much more convenient to have them come through the mails.

Mr. LAPOINTE: I agree.

Item agreed to.

Agriculture—for the administration of the Destructive Insect and Pest Act, and necessary buildings, additional amount required, $70,000.

Mr. TOLMIE: Will the minister kindly furnish particulars of this item?

Hon. W. R. MOTHERWELL (Minister of Agriculture): The amount inserted in the main estimates last year was too small, consequently this item is inserted to bring up the vote to the amount for the preceding year. There is always a certain amount of work to be done to hold in check insects and pests that have already established themselves here as well as to try to keep out others that have not yet gained a footing. In the orchards, in our agriculture and in the forest there are various pests to contend with.

Mr. TOLMIE: Were necessary buildings not anticipated?

Mr. MOTHERWELL: This is the regular designation of the vote. We do not anticipate any buildings in this vote.

Item agreed to.

To meet expenses in connection with preparations for the World's Poultry Congress, 1927, $23,000.

Mr. TOLMIE: Will this vote be ample to make a good showing for Canada at that congress?

Mr. MOTHERWELL: Yes.

Item agreed to.

Salary and expenses of agricultural produce marketing agent, additional amount required, $5,000.

Mr. TOLMIE: Is this a new vote?

Mr. MOTHERWELL: This applies to Mr. Wilson, who has been established in the Canada building on Trafalgar square for a few years. The vote has stood at $10,000. The primary object of the appointment has been to keep us constantly acquainted with matters relating to the export trade and to detect defects in our export surplus products either in the matter of quality or as regards containers. The expenditure has served a useful purpose.

Mr. TOLMIE: This does not mean an addition to his salary?

Mr. MOTHERWELL: I am sorry to say it does not.

Item agreed to.

Experimental farms, additional amount required for work with tobacco, $5,000.

Mr. TOLMIE: Is any of this vote for work in British Columbia?

Mr. MOTHERWELL: No. We are doing some work in the Okanagan valley, but this is to establish a small farm in the province of Quebec at Montcalm where the tobacco business is assuming important proportions. Tobacco export has increased rapidly and to keep pace with the growing requirements we have established a small tobacco farm in Montcalm. Similar work has been done in Ontario.

Item agreed to.

For assistance in the erection of pre-cooling plants for fruit, $30,000.

Mr. EDWARDS (Frontenac): On what basis is this assistance given?

Mr. MOTHERWELL: This money is to be spent in the Okanagan valley. Different places are applying for plants and the chances are that Vernon will be successful. Some years ago we adopted the policy of contributing thirty per cent towards these plants, the parties interested paying the other seventy per cent.

Mr. HANSON: Is anything being done in this direction in the Annapolis valley or in New Brunswick?

Mr. MOTHERWELL: The climate down there is of such a nature that there has been no demand for such plants. It is fairly cool in the fall of the year and no such establishments have been asked for.

Item agreed to.

Compensation for animals tested under the Animal Contagious Diseases Act, and dying from the disease for which they were tested before it was possible to slaughter them under the provisions of the act, as follows:

J. N. McDonald, Whim Road East, P.E.I.	$ 28
A. Pallardeau, St. Timothe, P.Q.	34
J. E. Leask, Seagrave, Ont.	96
E. Lindsay, Hornby, Ont.	80
Jos. Platt, Ste. Agnes de Dundee, P.Q.	20
Andrew Oberle, Walkerton, Ont.	1,910
	$2,168

Mr. TOLMIE: To one man in Walkerton the sum of $1,910 is asked for. Did all those animals die?

Mr. MOTHERWELL: Under the Contagious Diseases Act, unless an animal is slaughtered no compensation is paid, but sometimes it happens that on the way to the place of slaughter an animal dies. In such a case no compensation is given and this is the only way the money can be provided.

[Mr. Tolmie.]

Mr. COOTE: Is this money which is being voted owed lawfully under the act, or is it simply a gift to these men, outside the law?

Mr. MOTHERWELL: Under the act the animal must be slaughtered under government supervision either in an abattoir or at the owner's home. It occurs sometimes, however, that in transit an animal, for which compensation is bona fide payable, dies either from overcrowding in the car or from getting on and off too frequently. The case is a bona fide one and in order to pay the compensation we have to come to parliament to get the money.

Mr. TOLMIE: Is it a common practice to ship animals from one part of the country to another to be slaughtered while they are suffering from a highly contagious disease such as hog cholera?

Mr. MOTHERWELL: No.

Mr. TOLMIE: Then how does it come about that these animals died so quickly?

Mr. MOTHERWELL: There was a light outbreak of hog cholera. As many doctors and veterinarians will differ in their diagnoses, it happened in this case that before a correct diagnoses was made many of the animals died on the farm of the owner.

Item agreed to.

Grant to the Canadian Tuberculosis Association—further amount required, $5,000.

Mr. McGIBBON: What aid does the government give to these institutions?

Mr. ROBB: I have not the main estimates before me and the minister (Mr. King) is absent owing to the death of his brother. I know there is a contribution, but I will get the information.

Mr. McGIBBON: I understand that the government cut the contributions to the society a year or two ago; the amount was reduced by half. Will the full amount be restored?

Mr. ROBB: None of these grants has been reduced. The provinces have something to do in their administration and, as my hon. friend knows, the government had to provide for a great expenditure incurred during the war. So far as it is possible to do so we are trying to reduce various miscellaneous grants and I would not promise an increase.

Mr. McGIBBON: I do not agree with the government's policy in cutting down its contribution to a society which is doing such

excellent work. It is true the provinces are doing their share, but the help given to this institution of late has been meagre compared to what has been done in the past. The society is doing an invaluable work in endeavouring to eradicate a dreadful disease and it deserves greater consideration.

Mr. STEVENS: So far as I can see there is no grant in the main estimates for this institution; this would appear to be the total grant.

Mr. McGIBBON: When you think of what is being done to eradicate diseases from amongst the animals in the country and then look at what assistance is being given for the eradication of such a disease as this amongst the people the contrast is odious enough.

Mr. DUNNING: What would be a reasonable grant?

Mr. McGIBBON: $25,000.

Mr. DUNNING: That is what they are getting.

Sir GEORGE PERLEY: Does this mean an increase in the vote?

Mr. STEVENS: No.

Item agreed to.

Pension—to provide for pension to Captain J. E. Bernier, $1,767.74.

Mr. SPENCER: May we have some explanation of this item?

Mr. STEWART (Edmonton): Captain Bernier is a very old employee of the government; he was first engaged by the Marine and Fisheries department and later in the Department of the Interior in expeditions up the east coast to the Arctic circle. He is now seventy-four years of age and has been retired. Not being pensionable, under any superannuation law I am asking parliament to vote him this pension for the rest of his days, in order to place him on a parity with other civil servants.

Mr. SPENCER: The reason I asked was to find out why he was not pensionable?

Mr. STEWART (Edmonton): He did not come under the provisions of the Superannuation Act; a good many of our civil servants were not fortunate enough to come under that act, and this is the only way we can take care of them.

Item agreed to.

National Defence—militia services—non-permanent active militia, $50,000.

Mr. ROSS (Kingston): May I ask an explanation of this?

Hon. J. L. RALSTON (Minister of National Defence): I am told that this amount was really included previously in a general vote for bonuses. As I understand it, the bonus was done away with and when the main estimates of the department were made up this amount was not included, it being thought the bonus would come out of the general vote. It was found that that was not so, and this amount had to be put in to take care of the increased salaries which were provided instead of the bonus.

Mr. HANSON: Bonuses for what?

Mr. RALSTON: For civilian salaries and charges on the department.

Mr. GUTHRIE: This is for the non-permanent active militia. I understood this represented an additional amount used last summer on training.

Mr. RALSTON: The leader of the opposition will agree with me that a certain amount of the salaries and wages at headquarters are chargeable to the permanent and non-permanent militia alike.

Item agreed to.

Naval services—further amount required for the maintenance of ships and establishments of the naval service, $100,000.

Mr. GUTHRIE: Could the minister give us a word of explanation on this item? My reason for asking is that last summer, in July or August, while I was presiding over the department of National Defence for a time, it was represented to me that a heavy expenditure was very necessary in regard to our naval service in order to make it seaworthy. One of the training ships or one of the destroyers on the Atlantic coast, I think, was represented as being unseaworthy; it was said that she would have to go to the West Indies to take part in the imperial naval manoeuvres with a crew of something like one hundred young lads who were in training, and in the opinion of the officers of the department the boat could not be used for this purpose without involving serious risk of life. Is this amount which we are now asked to vote intended to put these ships in repair? I assume the money was spent during the past year. For what purpose was it used, and are these two destroyers now in a seaworthy condition?

Mr. RALSTON: I am advised that this is not for the purpose referred to by my hon. friend. I think practically all of this amount is for the purpose of bringing our accounts with the British Admiralty up to date. We owe the admiralty a good deal of money for

the pay of officers who are with the British navy, for ordnance stores, technical stores which we get from them and which we cannot get in Canada, for ammunition, for ships' articles and for instructional supplies. This is for the purpose of squaring our accounts with the admiralty. They made a request that the account be straightened out, and this amount is for that purpose.

Item agreed to.

Air service—Canadian air force—further amount required to meet the demand from other government departments for extensions in civil operations, $398,000.

Mr. GUTHRIE: There is one point I would like to bring out; this amount is for the requirements of other departments of the government. Why should not that be charged to those departments? It makes the air service vote very large, and the air service gets no benefit from this amount while the people are sometimes inclined to criticise such expenditures. I would suggest that the other departments requiring these services pay for them, and the amounts be charged to them, which seems to me a fair proposition.

Mr. ROBB: We will take that into consideration.

Mr. ROSS (Kingston): May I point out that this is something of which a good many will approve, as one way of increasing the air force. I am strongly in favour of it; the air force is a branch on which the government should spend much more money.

Mr. LANCTOT: They are spending too much on it already.

Mr. STEWART (Edmonton): May I say that my learned friend's suggestion was followed particularly in connection with the fire patrol work for a year or two, but it is not pleasing to have to vote a sum of money over which you have no control. We have two services, the aerial photography service, which is so valuable from the standpoint of a surveyor, and the fire patrol service, both carried on by the Department of National Defence, and we are in the position of passing accounts of which we knew nothing. Therefore we adopted the principle of putting the whole vote in the air force, they being responsible for it, and giving an estimate of what the requirements were.

Item agreed to.

Miscellaneous—to compensate Chairman W. C. Shelly, Vancouver parks board, $15,500.

Mr. SPENCER: Will the minister explain?

[Mr. Ralston.]

Mr. RALSTON: I was about to explain, Mr. Chairman, that this estimate is to repay to the chairman of the Vancouver parks board an amount which he expended in order to pay off a claim of a dispossessed squatter. Vancouver park, I understand,—

Mr. LADNER: Stanley park.

Mr. RALSTON: Stanley park is owned by the government and there were a large number of squatters, one of whom established a prescriptive right. The chairman of the parks board paid off this amount which is proposed to be repaid by the government.

Mr. ERNST: Was the amount awarded by a tribunal, or is it simply a compromise settlement?

Mr. RALSTON: I am sorry but I cannot give that information. A prescriptive right was established, but I cannot tell my hon. friend how the assessment was arrived at.

Mr. LADNER: If I might make a statement I would say that this action became necessary as a result, as the minister has said, of a prescriptive right being established by one squatter out of a number. Some of these cases went to the Supreme Court of Canada, and I think even to the Privy Council. The parks board wished to preserve this essential property for the purposes of Stanley park, and they were on the eve of losing it. Some speculators desired to take the property over, and were about to offer an amount to the squatter when the parks board stepped in and saved the property to the public.

Mr. BROWN: Was that particular case a test case for the others?

Mr. LADNER: The other cases had been tried and this particular case succeeded.

Mr. ADSHEAD: What was the size of the property?

Mr. RALSTON: I am sorry but I do not happen to have that information before me.

Item agreed to.

Imperial War Graves Commission—further amount required to meet Canada's share of expenditures and contribution to endowment fund to March 31, 1926, $237,000.

Sir GEORGE PERLEY: Would the minister be good enough to give an explanation with respect to the endowment fund. There is an endowment fund provided for, but I understand this is a larger amount than usual and I should like the minister to explain it.

Mr. RALSTON: As I understand it, this amount of $237,000 is for the purpose of bringing our contribution to what is called the

endowment fund up to date. A project has been inaugurated whereby a permanent fund is established for the keeping of the graves of our soldiers in perpetuity, and that fund requires payments, I think, over a period of five years. The present amount pays the instalment up to a year ago. I may say that the yearly amount payable from now on is something like half a million dollars.

Sir GEORGE PERLEY: I see that last year it was half a million dollars.

Mr. RALSTON: Yes.

Sir GEORGE PERLEY: The minister says this endowment will call for payment extending over a period of five years?

Mr. RALSTON: Yes.

Sir GEORGE PERLEY: So I understand. I know a great deal about the Imperial War Graves Commission, I was a member of it from the beginning of the time I was in England. I have a great admiration and respect for the work the commission are doing, and am very glad the government has cooperated in providing this endowment fund.

Mr. McGIBBON: What is the basis of the appropriation?

Mr. RALSTON: I am sorry but I cannot give my hon. friend that information at the moment.

Mr. ADSHEAD: Is this exclusively for graves overseas?

Mr. RALSTON: Yes. The Imperial War Graves Commission, as I understand it, deals exclusively with graves overseas.

Sir GEORGE PERLEY: May I say that the Imperial War Graves Commission has to do with the graves of the British soldiers, who fell during the war, throughout the world. Colonel Osborne, of Ottawa, is the secretary for Canada and does the necessary work for the Dominion.

Item agreed to.

Railways—to provide for adjustment of allowances paid for railway and canal employees while they were on service in the Canadian Expeditionary Force during the Great war, $92,000.

Mr. HANSON: May I ask the minister a question or two in connection with this vote? In the early days of the war the employees of the Canadian government railways were given to understand that they would receive the full pay, as well as their military pay, on enlistment. At that time, I suppose, there was no idea that the war would last so long, or that it would become so great a charge on the country. Afterwards that policy, as I recollect it, was changed. Is this to supplement the original promise, or just what is the purpose of the vote? Are all the men that enlisted to be treated alike?

Mr. DUNNING: There was no intention by this vote, Mr. Chairman, to go back to the original promises made by the Conservative government in 1914, which, were afterwards revised by that very government. But certain situations were created due to the taking over by the government of other railways. This particular amount was required to deal with employees who enlisted prior to May 1, 1915, that being the date upon which certain Grand Trunk Pacific undertakings became government undertakings. The result was that men who enlisted after May 1, 1915, had the advantage of the government's provision, but men who enlisted prior to that time, although employed on the same work, were not legally considered government employees, because they had already gone overseas before the Grand Trunk's undertaking was assumed by the government. Action was taken in connection with this class in the estimates of 1923, and the amount now placed in the estimates is to clean up outstanding claims of that particular class.

Item agreed to.

Canals—St. Peters canal—improvements—additional amount required to pay claim of the Atlantic Dredging Company, $12,151.96 and interest on same at rate of five per cent per annum from October 1, 1925, $12,629.72.

Mr. HANSON: I think we should have an explanation of this.

Mr. DUNNING: An original claim by the contractors of an amount of $46,000, was subsequently whittled down by the department's engineers and by negotiation to the sum here mentioned. I will read an explanatory extract from the report of the engineers; not the whole of it because it is too lengthy. That extract is as follows:

The discrepancy between the original estimate of cost and the final amount paid is explained as follows: When the survey was made on which the original estimate was based, every effort was made to secure accurate information concerning the rock surface, and from points on the work where solid rock could be definitely located and also from the depth of old cribwork where it could be definitely ascertained, a profile showing the probable rock surface was plotted for the information of intending bidders. After the contract was let, it developed that the probable rock surface, as exhibited, for a length of 250 feet was a very hard cemented clay intermixed with stones. Consequently the contractors were required to excavate this material to the bot-

tom of the canal for the crib seats, resulting in a large increase in the estimated quantities of excavation, cribwork, stone filling in cribwork and earth filling behind cribwork.

Briefly the situation is this: The boring indicated that rock did not exist; consequently deeper foundations had to be created in cement clay formations.

Item agreed to.

Trent canal — improvements — additional amount required, $51,900.

Mr. McGIBBON: Is this canal completed? It has been on the way for about one hundred and twenty-five years, it is nearly completed, and if the government is ever going to get revenue from it, it can only be done by completing the work.

Mr. DUNNING: The government does not intend to complete the canal. So far as revenue is concerned, I think it can be said that all the revenue the government can get from that canal is now being received, the only revenue receivable being rentals from power supplied to individuals or to communities. We are now, I think, in receipt of the maximum amount of power rentals which we could receive, even if the canal were completed, and the government has no intention of completing it.

Mr. McGIBBON: I point out to the minister that the only practical use to which this canal could be put—although I would not advocate it—would be the encouragement of the tourist traffic. At the present time it is practically of no use.

Mr. DUNNING: Tourists make a great deal of use of that canal and can make use of it although it is not completed over the height of land.

Mr. COOTE: What particular improvements are necessary in the canal to require an expenditure of $50,000?

Mr. PECK: In Peterborough and the neighbouring district there is a strong feeling that the canal should be completed. The canal itself connects the Georgian bay with lake Ontario. Although the canal is in all two hundred and forty miles in length the amount required for actual canal purposes is about thirty miles. It has been constructed from lake Ontario to lake Simcoe, to the Severn river, and all that is necessary now to give complete communication is to construct a small section on the Severn river. I think there are two rapids. When that portion is completed, there will be a complete passageway for boats of six or seven feet draught from the Georgian bay to lake Ontario. There is a certain amount of power to be generated still on the canal, and it is not, it seems to me, fitting, after so much money has been spent upon the canal, that this remaining section should not be completed. As I say, the people in my district are very much impressed with the importance of the work, and arrangements are being made for deputations to Ottawa to wait upon the government, and urge the completion of the work. I trust what has been said by the Minister of Railways and Canals will not prejudice their application.

Mr. DUNNING: I should be glad to receive any deputation on any subject whatever. Perhaps my hon. friends will permit me to bring down further information upon the whole matter in connection with the main estimates.

With reference to the supplementary estimate to which the remarks of my hon. friend from Macleod (Mr. Coote) have reference, I do not expect to spend it; none of it is spent yet, and inasmuch as the authority will expire on the 31st March I do not expect that the money will be spent. It will have to be provided for in the main estimates, because it has to do with the creation of power. Certain of our works along the canal are going to pieces and require to be replaced. They happen to be works of a character that produce revenue in the form of power, and consequently we desire to keep them in good shape, in order that we may receive the rental from them.

Item agreed to.

To provide for compassionate allowance to the mother of Francis S. King, who was accidentally killed while employed on the work of St. Lawrence river investigations, $2,000.

Mr. ADSHEAD: I do not know whether this is all the allowance the mother will have to depend upon. The item says "compassionate allowance." I presume that she will have some other means on which to subsist, and that she will not be compelled to live on this amount. If, however, this is her sole means of support, would it not be better to give her an allowance of $100 a month to the end of her life, so that she would be able to exist. I observe that in the next item we are voting $4,000 to improve the acoustics of the House of Commons, which is quite necessary, but I think it is equally important that the mother of the man who was killed in the service of the government should receive an adequate allowance. I suggest that parliament should give the mother $100 or $125 a month to the end of her life.

Mr. DUNNING: I should not like to be placed in the position of being hardhearted in giving consideration to cases of this character. The case in question was that of Francis Stanley King, engineer's assistant St. Lawrence river investigation, who died following several wounds caused by having been struck by a train in April, 1926. The accident occurred while he was going to a point where he had been engaged in taking the temperature of the water. The coroner's jury excused the Canadian Pacific Railway from any blame. The boy was a promising young chap of eighteen years of age, and had been contributing his earnings to the support of his family, which consisted of father, mother, two sisters over twenty-one, and a brother and sister fifteen and five respectively. Application was made on behalf of the mother for compensation, and seeing that the case was one which could not be treated under the Workmen's Compensation Act, I recommend to the House that compassionate allowance as above indicated be granted by specific appropriation. The mother will be grateful to receive this consideration, to which I think she is entitled under the circumstances.

Mr. GUERIN: I know something about this case. The accident happened to one of my constituents. This boy was employed by the Department of Railways and Canals. He was, I believe, in the vicinity of Caughnawaga, he was sent out to get water, and to do this he had to cross the Canadian Pacific railway tracks; the train passed, travelling at a very rapid rate, and whether it was by suction or not—that is the pretension anyhow—he was drawn under the train and killed outright. He was practically the sole support of his father and mother. I had hoped that the amount would be considerably greater, but the government have conceded $2,000 to the boy. I think that by every claim of justice and right the family are entitled to this money. The boy was killed while doing his duty, and through no fault of his own.

Mr. ADSHEAD: I have had some experience with mothers who had been dependent upon a son, and were given a lump sum. The difficulty is that it disappears very quickly in various ways, and if this amount is for the mother's maintenance, I would suggest that it be not given in a lump sum, but rather in monthly payments, so that the mother will be assured of so much a month for her own support, just as she was during her son's lifetime.

Item agreed to.

Ottawa parliament building—to improve acoustics of the House of Commons, $4,000.

Mr. COOTE: May I ask just what particular improvements are intended to be made, and whether $4,000 will induce the members to endeavour to make themselves heard in the House?

Sir GEORGE PERLEY: There are several pages of items coming under the Public Works department, and until some minister who is specially charged with these items is here, I would suggest that they might as well stand.

Mr. ROBB: The minister is away attending the funeral of the late Senator Pardee. I quite agree with my hon. friend (Sir George Perley) that we can let these items stand at least until eight o'clock this evening, when perhaps the deputy minister will be here.

Item stands.

Topographical surveys—additional amount required in connection with aerial surveys, etc., $20,000.

Mr. GUTHRIE: Here is another air service item. Will the minister explain?

Mr. STEWART (Edmonton): This is for the purpose of preparing for the aerial survey work to be carried on next year—for the placing of gasoline and the taking of aerial photographs in a system of strips across the country, to be done by the Royal Canadian Air Force. The work must be limited owing to previous preparations not having been made for 1926, but this will be followed up by the placing of supplies by canoe in the summer time, in order to get better results from the flying operations, which are very extensive. Most of this work is along the Churchill river and in the northern portions of Manitoba and Saskatchewan.

Item agreed to.

To assist in the conservation and development of deep-sea fisheries, and the demand for fish—further amount required, $100,000.

Mr. ERNST: I see that the item is to provide for assisting in the demand for fish. What amount of this item is being devoted to educational work, advertising and so forth?

Mr. CARDIN: The object we had in view in placing this item in the estimates was to meet certain requests which had been made of the department to help in the marketing of fish. As I understand it, the difficulty in certain parts of the maritime provinces is that the fishermen have not the opportunity of disposing of their fish as advantageously

as fishermen living in the vicinity of the larger ports, and the idea was to help establish a service for the purpose of collecting the fish from the smaller ports and bringing them up to the more important ports where they could be sold more advantageously. I must admit that nothing very definite has yet been decided upon. The suggestion has been made to us that we should subsidize a certain line of steamships, or else that we should help to establish a certain line, for the purpose of collecting the fish, but nothing very definite has been done as yet, and I am afraid that nothing is going to be done in that direction before this vote expires on the 31st of March next.

Mr. ERNST: It would not be of any use until after the 31st of March.

Mr. CARDIN: Not very much, except so far as preparation is concerned.

Mr. ERNST: Will further consideration be given to this matter in the main estimates for the coming year? At the present time, along a good portion of the coast of Nova Scotia the National Fish Company are operating boats for the purpose of collecting fish for their own trade, but along the south shore of the province, which embraces the counties of Lunenburg, Queens, Shelburne and Yarmouth, nothing is being done in that direction, and the fishermen are without any method of getting their fish to market. I would ask the minister to bear that in mind, and to provide some such service for the south shore of Nova Scotia.

Mr. CARDIN: Certainly. That is the object we had in view.

Item agreed to.

Amount required to remunerate Messrs. Bain, Bicknell, Macdonell and Gordon, solicitors, for professional services rendered in the matter of the King vs. the Dominion Shipbuilding and Repair Company, Limited, $392.49.

Mr. GARDINER: What is the explanation of this?

Mr. CARDIN: I regret not being in a position to give many details regarding this item, which relates to a case in the department. I may say that these fees are all taxed by the Department of Justice.

Item agreed to.

Amount required to remunerate Messrs. Bain, Bicknell, White and Gordon, solicitors, for professional services rendered in the case of the King vs. the London Guarantee and Accident Company, Limited—the Prince Rupert Dry Dock and Engineering Company, $973.04.

[Mr. Cardin.]

Mr. COOTE: Were these solicitors successful in compelling the London Guarantee and Accident Company to pay the bond that has been hanging fire so long?

Mr. CARDIN: They have not succeeded yet.

Mr. COOTE: Is this case closed—was the government unsuccessful?

Mr. CARDIN: No, the case is not closed.

Item agreed to.

Amount required to provide for the removal of the wreck of the S.S. Canadian Recruit, $50,000.

Sir GEORGE PERLEY: Perhaps the minister will give some explanation of this item?

Mr. CARDIN: The Canadian Recruit, one of the steamers of the Canadian Government Merchant Marine, was wrecked several years ago in the gulf of St. Lawrence, and it has since been practically established that the wreck was the cause of the stranding of other vessels at this point. Representations were made to us by the navigation companies that we should remove the wreck, and in view of the difficulties we are experiencing in getting the insurance rate reduced, we deemed it desirable that all obstacles to navigation should be removed.

Sir GEORGE PERLEY: Was this wreck located right in the channel?

Mr. CARDIN: It was just at the edge of the channel below Quebec. It is one of the most dangerous places of navigation in the gulf by reason of the currents. This wreck increased the difficulties of navigators, and we therefore decided to take this action and so allay the anxiety of the navigation companies.

Mr. GARDINER: What was the depth of water at that point?

Mr. CARDIN: The wreck has been removed in order to give a clearance of thirty-five feet at low water. Before its removal the wreck was visible at low water.

Item agreed to.

Mines and Geological Survey—Mines branch —to provide for the operation of peat bog at Alfred, Ontario, $70,000.

Mr. CANTLEY: Explain.

Hon. CHARLES STEWART (Minister of Mines): The explanation of this vote is that the federal government and the government of Ontario have spent in the neighborhood of $250,000 in developing machinery to

manufacture peat fuel at Alfred. Two years ago the advisers of the government felt that the machinery had been perfected to the point where it would be well to let a commercial company operate the plant. This was undertaken by a company headed by a gentleman in Montreal—I have forgotten his name—under the supervision of Mr. Moore, representing the two governments. Unfortunately the company was not able to finance the project. Apparently investors felt that the process was not yet beyond the experimental stage, and that therefore the government should lend further aid. I may say that this peat fuel has been sold as far east as Three Rivers, as well as in this city and the surrounding country. I take it that this will be a very important industry not only to Ontario but also to the maritime provinces and to Quebec, and if this industry is to be established it is necessary that we take over the plant and operate it for one year.

Sir GEORGE PERLEY: The government is taking back the plant?

Mr. STEWART (Edmonton): Yes, and operating it for a year. The plant is now located on land which is held by the owner at a very exorbitant price, and it has been decided to move it across the railway track at Alfred on to property that can be purchased on reasonable terms. As the difficulties confronting the company appear to be insurmountable, we have decided, as I say, to take over the plant and operate it for one year, and so demonstrate the feasibility of the project and the value of a cheap fuel. Moreover this demonstration will be useful for the utilization of the peat bogs at the southern end of lake Simcoe and in other portions of this province where the people have to rely on imported fuels. We will be able to use only a very small portion of this $70,000 before the expiry of this vote, and therefore it will be necessary to come back and ask for a further vote, in order that we may bring to a satisfactory conclusion the development of this cheap fuel and prove conclusively that it can be manufactured and sold at a reasonable price.

Sir GEORGE PERLEY: Was it not supposed at the time the minister handed the plant over to this company that the system had been perfected so that the peat could be produced commercially?

Mr. STEWART (Edmonton): That was the advice we received from our technical officers. They suggested several improvements in connection with machinery which was not then actually in operation. The apparatus for spreading and pulverizing and so forth was all in use but it was suggested that the steam engines be abandoned and electricity used instead for generating power. That has been done but the company unfortunately has been unable so far to put the manufacture of peat, in this respect, on a commercial basis.

Mr. CANTLEY: In the operations which have been carried on over a number of years, and which are being carried on at the present time, the government has spent hundreds of thousands of dollars and I can assure the minister that the whole scheme is impracticable as a commercial proposition. So far as I am aware—and I do not think I am subject to correction in this—the only peat that is used is the air dried product. In my judgment, as well as in the judgment of men better equipped than I am to give an opinion, it is impossible to manufacture peat mechanically and make it a commercial success in competition with the ordinary forms of fuel to be found in this country. As I say, we have spent several hundreds of thousands on this experiment, one year following another, under different managements in different departments of government, and we have got nowhere. Nor are we likely to get anywhere in treating peat mechanically. I protest against any further expenditure in this direction.

Mr. STEWART (Edmonton): My hon. friend is under a misapprehension if he thinks that the experiment had to do with anything but air dried peat. Having some knowledge of other experiments conducted by governments and private individuals, I am bound to say that little money has been spent on the development of peat fuel in comparison with expenditures made in other experimental work. What was done was to produce machinery to spread the peat and dry it by air. No attempt was made to invent any machinery that would compress the peat, the object being simply to develop the proper machinery to spread it on the surface and dry it. Machinery was also secured for picking up the peat, thus avoiding the excessive labour cost entailed in this process in the absence of such machinery. Up to the time when the experiment was turned over to the company, what had been done was largely a matter of developing and testing the necessary machinery to do the work in such a way as to make it commercially feasible to sell the fuel in competition with other fuels on the market. We have done that. If the company had succeeded in financing the scheme they would have been making peat to-day and would have been able

to sell it at a profit in competition with other fuels in this province and in the province of Quebec. These provinces are both in the acute fuel area. In this city and in Montreal between 15,000 and 20,000 tons of this fuel have been burned in domestic furnaces and it has proved successful. While therefore one cannot say that it is entirely beyond the experimental stage, nevertheless the experiment has been carried far enough to demonstrate that peat fuel can be produced by the process upon which these expenditures have been made.

Sir GEORGE PERLEY: I know something personally about this matter because forty years ago I spent a good deal of money trying to develop peat fuel commercially. There is no trouble about selling it; it is a very fine fuel. If we could discover a method by which it could be made satisfactorily from a commercial point of view it would be worth a great deal of money to this country because we have peat bogs in every part of Canada. And it would help to solve our fuel problem. There is, I repeat, no trouble about either selling it or burning it; indeed, I burned it in my own house forty years ago. The problem is to complete successfully such a process as will turn out the fuel commercially at prices which the people can afford to pay. I understood from the minister that when he handed the property over to the company they had a completed process. It seems now that it is not entirely successful.

Mr. STEWART (Edmonton): I am sorry my hon. friend got that impression. Certain drawings were made for the improvement of the machinery, so that this part of the machinery at least could not be said to have been tested. The major portion of the machinery was all tested and proved efficient and to that extent the process has gone past the experimental stage. Unfortunately, however, as in the case of many new enterprises, they could not finance the project and carry it on, so that they were unable to operate.

Sir GEORGE PERLEY: I doubt whether it was a lack of funds that made it difficult for them to carry on. I am not sure whether as a matter of fact it was found that the process had not been sufficiently completed to enable the fuel to be made commercially. That is the question. I doubt very much whether the process has reached the point where peat can be turned out in large quantities at a reasonable price. I cannot understand why the government should have handed the plant over to a private company unless the process was completed. Now the plant must be taken back. The simplest thing to do, in my judgment, is to continue the experiment in a small way. I am willing that a reasonable sum should be spent in an endeavour if possible to discover some means of making use of this natural product.

Mr. STEWART (Edmonton): We are confident that we can sell the fuel if we can move the machinery and set up the plant, which is all there with the exception of some of the machinery which the company has bought.

Sir GEORGE PERLEY: Does the minister suggest that he can sell the fuel at cost?

Mr. STEWART (Edmonton): We can sell it and make a profit; we have demonstrated that with machinery not entirely completed. We have to sell the fuel at about $7 or $8. You can manufacture it and put it on the cars for less than $5, and it has already been proved that we can cut that $5 cost considerably. It will be remembered also that we had to haul the fuel a considerable distance to Alfred station. We propose now to lay a track to the fuel bed itself, thus effecting a saving.

Sir GEORGE PERLEY: When this matter comes up in the main estimates the minister might bring down a statement covering a period of months, giving the expenditures and the receipts, to show that the fuel can be profitably disposed of.

Mr. STEWART (Edmonton): I shall be glad to bring down a statement of costs when the general estimate is up.

Mr. ADSHEAD: After the manufacture of this fuel has been proved a commercial success is it the intention of the Minister of the Interior to continue operating the plant as a government concern or to sell it again to some company?

Mr. STEWART (Edmonton): It is not the intention of the government to continue operating it as a commercial enterprise once it has proved commercially practicable, but to sell it to those who can operate it.

Mr. RYERSON: May I ask the minister if he has any figures showing the amount expended by this government during the last ten or twenty years in connection with these experiments?

Mr. STEWART (Edmonton): I can get those figures for my hon. friend. This particular experiment was carried on jointly with the Ontario government.

Mr. RYERSON: I might back up the words of some other hon. members by saying that a great deal of money has been expended during the last twenty-five years on

experiments in connection with peat fuel. To my personal knowledge two or three companies have spent a lot of money and failed in attempts to discover this process, and it seems to me time the government called a halt on the experimental stage of this peat fuel business.

Mr. STEWART (Edmonton): I do not agree with my hon. friend. I may be a protagonist of peat fuel, but I am convinced that the process will work. I have watched it for two years and I am convinced that fuel can be made and sold in competition with other fuels at a price which will leave a profit. For the information of my hon. friend I may say that a millon dollars was spent in Saskatchewan in an endeavour to briquet the lignite coals there, and after spending that amount we did not have a process that would work satisfactorily. But we kept at it, and through information received from the university of Dakota we eventually did evolve a process of briquetting these coals successfully. One might very well say that the million dollars was a total loss so far as our experiments were concerned, but that is not so. It seems to me that it is the business of the government to endeavour to bring into use these latent natural resources, to spend some money on them and if necessary take some losses. I am very keen about this thing because I may tell you that I was very much opposed to it when I came here, and wanted to stop the whole thing. To-day, however, I have changed my mind, after very careful investigation, and I am satisfied that these experiments at the Alfred bog can be made a success. If that is the case then public or private enterprise will open up other bogs in Ontario and manufacture this fuel.

Mr. CANTLEY: I am very glad to observe the minister's recent conversion. I have gone to most of the meetings of the mining society for more than twenty years, and during all that time various reports have been brought in regarding the Alfred bog. It has been a failure from beginning to end. I think the minister has forgotten some early history, or he would have remembered that efforts were made to dry the peat by the use of steam, and in other ways, and all those efforts were unsuccessful. These bogs have a value but it is only a local value. In Ireland and Scotland and other places where the people immediately adjoining these bogs spade the material out and dry it in the sun, it has a certain value, but it has no value when you have to employ machinery of the kind now used. The history of this enterprise for the last twenty years proves that fact beyond question. The minister can spend his $70,000 but I do not believe he can come here next year and tell us that this is a commercial success.

Mr. ROSS (Kingston): I would like to ask the minister if he has information as to the output of the present machinery and as to how many years that output will continue with the present machinery in operation?

Mr. STEWART (Edmonton): I do not understand my hon. friend's question.

Mr. ROSS (Kingston): There are several questions in this connection. First, what would be the possible output of peat with the machinery now in operation or about to be put in operation, and for how many years could that output be continued?

Mr. STEWART (Edmonton): I estimate that within the season, which in Ontario is necessarily short, because it must be air dried, the capacity of this plant would be about 30,000 tons, but I cannot give my hon. friend an estimate of how many years the Alfred bog would last. I assume however, that it would last a great many years with that output.

Mr. PRICE: I am very glad indeed to see anything done in connection with the development of our natural resources, but in regard to one of our resources, gas and oil, outside capital has been spent in Canada which would like a little easement from the duties that are exacted on casings, for instance, and other machinery used in the development of this field. Last year I think some encouragement was given to the development of the oil shale industry, in regard to the bringing in of crushing plants for the extraction of oil from shale, but at the same time the government exacts a very high duty on casings used in drilling wells which are not manufactured in this country satisfactorily. In the maritime provinces the success we have had in connection with gas and oil has resulted from wells varying in depth from 1,500 to 3,000 feet. The casings used are from eight inches to fifteen inches in diameter; they are required to be of great strength and properly milled and there is no dependable material of that kind manufactured in Canada. Therefore I would like to take this occasion to draw to the attention of the minister the fact that these companies which have spent hundreds of thousands of dollars in the last ten or fifteen years without a single dividend, require at present a little easement.

Mr. STEWART (Edmonton): There is no duty on that piping.

Mr. PRICE: I took the matter up with the Minister of Finance last year, when the duty on machinery for the extraction of oil from shale was under consideration, and something was done in that connection to reduce the duty and give these people an opportunity for development. In the case of these other concerns, however, those who have to go down thousands of feet into the earth before they know whether or not the well is of any value, no relief at all has been given. I think the Minister of Finance will bear me out in that, and I think he is sympathetic to those concerns.

Mr. ROBB: I do not like to interrupt my hon. friend's speech but will he guarantee that such a proposal will receive support from that side of the House?

Mr. PRICE: I am in favour of anything tending to the development of our natural resources, which does not interfere with our own manufacturing concerns. Our Canadian concerns do not manufacture a satisfactory article in this case, and therefore people interested in oil and gas development should be allowed to bring this material in free of duty.

Item agreed to.

Geological Survey—grant to second Empire Mining and Metallurgical Congress, $25,000.

Mr. GUTHRIE: What is this?

Mr. STEWART (Edmonton): This world congress is coming to Canada this year and will hold meetings right across the country. There will be representatives of mining institutes and people interested in mining, from all over the world. The meetings will begin in Montreal, and will continue in this city, and in Toronto and Winnipeg. Sessions will be held in all these centres right through to Vancouver. Side trips will take place from Toronto, and points in the north, into the northern mining areas of Ontario. A splendid program has been prepared, and we have been asked to vote $25,000 for the purposes indicated.

Item agreed to.

Indians—Nova Scotia—medical attendance and medicines—further amount required, $5,000.

Mr. ERNST: May I ask the minister whether any of that sum is to be expended for the Indian reserve at Scarsdale, Lunenburg county, Nova Scotia?

Mr. STEWART (Edmonton): I cannot tell my hon. friend whether that particular reserve is included. We have had over-expenditures for medical relief in Nova Scotia, as indeed in all the other provinces, but I cannot give him any definite amount that may have been spent on an individual reserve.

Mr. ERNST: Can the minister supply the information in the near future as to how much has been spent in that connection on the reserve at Scarsdale in Lunenburg county? I am fairly well acquainted with that reserve and I have been unable to find any Indians on it. It is filled with white men, and yet the government has been maintaining a medical service, schools, and an Indian agent. As a matter of fact all the people there want to get title to their land. They do not want to be treated as Indians, and they have asked that steps be taken to have the lands conveyed to them. There are no Indians at all on the reserve, and yet the government has been spending money for these purposes for the last fifteen or twenty years.

Mr. STEWART (Edmonton): I may say for the information of my hon. friend that there are a number of reserves upon which there are no Indians. I wish also to tell him that if there are no Indians on the reserve then the government have not been spending any money on it; any expenditures made are on the Indians themselves.

Mr. ERNST: There has been money spent on this particular reserve.

Mr. STEWART (Edmonton) There may be money spent for the agent. We do not spend money on the land but on the individuals, therefore my hon. friend's information could not possibly be correct.

Mr. ERNST: How about schools?

Mr. STEWART (Edmonton): If there is a school there must be Indians in attendance.

Mr. ERNST: They are shown as Indians, but I am prepared—

Mr. STEWART (Edmonton): To take your oath that they are whites?

Mr. ERNST:—to state that they are whites.

Mr. STEWART (Edmonton): Have they got votes?

Mr. ERNST: That depends upon which government is in power.

Mr. STEWART (Edmonton): I shall be very glad to get the information for which my hon. friend has asked.

Mr. SMITH (Cumberland): Would the minister supply a list of the Indian reserves in Nova Scotia?

Mr. STEWART (Edmonton): Not offhand. There are a great many reserves in Nova Scotia, but they are small ones.

Item agreed to.

Indian education—further amount required, $122,000.

Mr. GUTHRIE: Will the minister be good enough to give some information about this vote?

Mr. STEWART (Edmonton): As hon. gentlemen are aware, we have taken over the construction of Indian schools and the purchase of existing schools that are sufficiently valuable to justify their acquisition from the church organizations that have been carrying on this work. I may say that in accordance with our treaty obligations the education of the Indian devolves upon the government. Up until a few years ago, indeed up until 1923, the government were carrying on this work by means of a per capita grant, and the various church organizations had established themselves—had constructed school buildings and were maintaining them for a grant that was less than $20 per head. I felt this was hardly fair, and I recommended to the government that in future we build all schools and equip and maintain them, and let the various church organizations carry on the teaching with a slightly increased grant. This has relieved the churches of a very considerable obligation, and has given quite an impetus to the work. I intend speaking upon this question when the Indian estimates are up, or prior thereto, because I think it is important that parliament should have full information, first as to our responsibility to these aborigines, and secondly as to what we are doing to carry out the treaty provisions, particularly with respect to education.

Mr. GUTHRIE: Has this amount been spent this year?

Mr. STEWART (Edmonton): The contract for the Blood reserve school in Alberta, plus extras on the building, is for $130,117. Of this amount $19,000 is to be paid from the 1926-27 appropriation. Sioux Lookout school in Ontario, which is also nearing completion, is being erected for $84,400. We require $91,000 to clear up the furnishing of these two schools and make them fit for the reception of pupils. Then there is an amount of $6,000 required for the Gitladamix reserve, where the schoolroom was burned. This provision is badly needed. I am going to say to the House now that I shall be forced, perhaps this session, to ask for a larger appropriation for Indian education than we have needed in the past, because the work is always growing, and the demand is becoming greater as the Indians familiarize themselves with what they are entitled to receive from the government. I am asking for the present amount to clear up all our obligations for this year.

Item agreed to.

Labour—unemployment relief—to provide amounts due various municipalities and provinces as authorized by P.C. 315, $59,500.

Mr. GUTHRIE: I do not quite understand this vote. Will the minister be good enough to explain it?

Hon. PETER HEENAN (Minister of Labour): As the hon. member will recall, under P.C. 315 the Dominion government undertook to supplement, to the extent of one-third, the expenditure necessary by the provinces and municipalities to take care of unemployment relief last year.

Mr. GUTHRIE: Is it paid to the provinces?

Mr. HEENAN: To the municipalities.

Item agreed to.

Additional amount required for investigational work re the practicability of bringing reindeer into the Northwest Territories, $5,000.

Mr. GUTHRIE: Will the minister say a word on this?

Mr. STEWART (Edmonton): The problem of a meat supply in the north country is becoming an ever-increasing one. Some years ago the Hudson's Bay Company made the experiment of locating reindeer on the east coast. It was not entirely a success, largely because an investigation was not held by a botantist for the location of a proper feeding ground. The United States government have made a great success of the rearing of reindeer in Alaska. Not only the government but many private individuals have large herds of reindeer, and it will be an easy matter to transport them from Alaska to the Northwest Territories, to the Eskimo and Indian tribes further north. We have engaged the services of two botanists who were recommended by the American government and who are now in the north country endeavouring to locate feeding grounds for the reindeer. It is merely a precautionary measure, to ascertain whether we have in the Northwest Territory feeding grounds on which they would thrive, and for that purpose we ask the House to vote this amount.

Mr. GUTHRIE: Have we not made other experiments with regard to reindeer?

Mr. STEWART (Edmonton): Yes.

Mr. GUTHRIE: With what result?

Mr. STEWART (Edmonton): We have a few of the herd on Anticosti island, but the reindeer that were placed on the east coast of Hudson bay did not thrive. The difficulty was one of pasture. If these thoroughly experienced men can locate areas in the central portions of the territories upon which reindeer can thrive, we will purchase the reindeer, drive them across the territory and seek to instruct the Eskimo in the care of reindeer.

Mr. GEARY: Are these botanists Americans or Canadians?

Mr. STEWART (Edmonton): Americans.

Mr. GEARY: No Canadians?

Mr. STEWART (Edmonton): None who have had experience with reindeer and their problems. We got these two men so that we would make no mistake.

Item agreed to.

To provide for payment to the government of the United States in pursuance to articles 8 and 10 of Lake of the Woods convention as signed at Washington on February 24, 1925, and as approved of by the House of Commons on May 5, 1925, and by the Senate on May 12, 1925, $275,000.

Mr. GUTHRIE: How is this arrived at?

Mr. STEWART (Edmonton): It was allocated by the board appointed for the purpose of estimating the damage claims that might arise, and this was our proportion of the amount payable to the American residents on the south shore of the lake of the Woods whose property would suffer damage.

Item agreed to.

Mr. ROBB: I wonder if my hon. friend would be ready before six o'clock to let an item go through. Item 381 in the further supplementaries for 1925-26, was held up by my hon. friend from Vancouver Centre. It was a large item, and I was not able to give the explanation, but I have it now. It is in the small sheet, 381 of the supplementary estimates.

Mr. GUTHRIE: I would prefer that my hon. friend should take it up to-night.

Mr. ROBB: I would be glad to wait, but I wanted to point out to my hon. friend that it was a customary item and had gone through each year. It was passed in 1919-20 and in 1921-22 during my hon. friend's administration. It was a customary item.

[Mr. Guthrie.]

Mr. GUTHRIE: I would ask that my hon. friend let it stand till eight o'clock.

Reception of the Interparliamentary Union for Peace, $11,448.88.

Mr. GUTHRIE: Is that something that is going on in the future?

Mr. MACKENZIE KING: My hon. friend will remember that there was a meeting at Washington of the Interparliamentary Union, and the delegates were entertained at Ottawa later.

Item agreed to.

Expenses under the Naturalization Acts, 1914 and 1920—further amount required, $2,000.

Mr. SPENCER: Could we have some explanation of this?

Mr. RINFRET: It is merely to complete the work of the year. It is a routine vote—nothing special about it.

Item agreed to.

Dominion—provincial conference, $10,000.

Mr. GUTHRIE: What does this refer to?

Mr. MACKENZIE KING: This item was in connection with the Dominion-provincial conference with reference to provincial legislation where there have been conflicts in the courts.

Mr. GUTHRIE: Has it been held?

Mr. LAPOINTE: No.

Mr. GUTHRIE: It is not going to be held between now and March?

Mr. LAPOINTE: No, no.

Item agreed to.

Public Records Commission, contingencies and salary of chairman, $3,000.

Mr. GUTHRIE: What is this commission?

Mr. RINFRET: It is a commission for the purpose of helping in the collection of manuscripts for the Archives department. It has been found that we could not collect the material quickly enough and in proper order for that very important department, which has developed very much lately, and it was therefore felt it would be better to establish a commission, on the same standing as the commission which exists in England, for the purpose of collecting such material. The idea is to have a chairman, together with honorary members in every province in Canada, to make the work of collection more active. The amount asked for just now is only $3,000.

Mr. GUTHRIE: I approve entirely of the object which the government has in view in this respect, which is to assist the archivist. Might I ask whether a chairman has been selected?

Mr. RINFRET: Yes. I have a copy of the order in council here, appointing Dr. Doughty chairman of the commission on May 12, 1926.

Mr. GUTHRIE: Is this an additional salary for Dr. Doughty?

Mr. RINFRET: He will not get the full amount for the current year, as it will date back only to the date of the order in council.

Mr. GUTHRIE: I would just like to understand the position correctly. Do I understand that Dr. Doughty is both Dominion Archivist at a special salary, and that he is also to be chairman of the Public Records Commission at another salary?

Mr. RINFRET: That is the situation.

Mr. GUTHRIE: How do you overcome the provisions of the Civil Service Act and allow him to draw two salaries?

Mr. MACKENZIE KING: Dr. Doughty comes in as a deputy head under the Civil Service Act, and if parliament votes this amount for the Public Records Commission, there will then be parliamentary authority for the purpose. As no doubt my hon. friend is aware, Dr. Doughty is a member of the service who has quite an exceptional knowledge with respect to Canadian documents and manuscripts of various kinds. It has been with the greatest difficulty that the government has been able to retain Dr. Doughty in this country, for he has had offers from Great Britain that have been most attractive. I might say that Dr. Doughty is staying here at the present time at a very considerable financial sacrifice. He is an officer of the service who gives not only his days, but his nights and his entire time to the work that he is interested in as a specialist, and the government felt that if they were able to retain his services, no doubt parliament would endorse their action by supplementing the amount he is receiving as a deputy minister with this extra amount to be given him as chairman of the commission, on the understanding, of course, that he gives time to the work of the commission in addition to what would be expected merely of the Dominion Archivist.

Mr. GUTHRIE: I endorse everything my right hon. friend has said in regard to Dr. Doughty. I think he is one of the ablest men in the service of the government, and I sincerely hope that he is continued for the special work which he does. However, I do not know that the principle we are now adopting is a correct one. I think it would be far better to increase his salary as Dominion Archivist by a proper amount than to add to it in this indirect way, for that is what is really being done by the appointment of this commission. I would support a substantial straight increase in Dr. Doughty's salary, as I think it is very necessary for Canada to retain him.

Item agreed to.

Salaries and expenses, passport office—further amount required, $6,500.

Mr. MACKENZIE KING: This item is to provide for new passports that are necessary in consequence of a new Governor-General. They have to be made out in the name of the new Governor-General.

Item agreed to.

Amount required for expenses of delegation to Imperial Conference, $10,000.

Mr. GUTHRIE: Is this all spent?

Mr. MACKENZIE KING: No, it is not all spent.

Item agreed to.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Miscellaneous—To replace and implement the sum of $80,000 paid the Government of Canada by the Canada Atlantic Railway Company for the purpose of clearing the government reserve on the west bank of the Rideau canal between the Plaza and Laurier avenue in the city of Ottawa and to construct thereon an extension of the park and driveway system in charge of the Ottawa Improvement Commission—the said sum of $80,000 having been expended, in satisfying claims of the heirs of the Sparks estate in connection with the government reserve on the east, or opposite bank of the Rideau canal between the Plaza and Laurier avenue, $100,000.

Mr. STEVENS: Could we have an explanation of this item? It is rather large.

Mr. MACKENZIE KING: Mr. Chairman, I understand that some years ago the late Mr. Booth, in his position as president of the Canada Atlantic Railway Company, presented to the city of Ottawa a sum of money for the purpose of clearing the government reserve on the west bank of the Rideau canal and making it a park. The money was used for another purpose. It is now the desire of

the improvement commission to continue the driveway system from Laurier avenue bridge to the post office, and this vote is really to replace the original gift from the Canada Atlantic Railway Company.

Item agreed to.

To provide, subject to the approval of the Treasury board, for salaries, reclassifications, revisions, promotions and increases, $89,340.

Mr. ROBB: This is the usual vote for the reclassification which comes along each year.

Mr. ARTHURS: But why each year?

Mr. ROBB: Because of reclassifications during the year. Early in the year the deputy ministers submit estimates based on the salaries then current, and during the year the reclassifications in the different departments, approved by the Civil Service Commission, become effective. Those are submitted to the Treasury board. Sometimes at the end of the year the deputy ministers find themselves short of their requirements.

Mr. ARTHURS: As a rule these reclassifications have been pending for many years.

Mr. ROBB: It does not really mean more expenditure; there may be less expenditure in one department and more in another. We have to vote the item to satisfy the Auditor General.

Mr. STEVENS: It is rather an ingenious explanation that this does not mean more money. Why, we are voting more money. I would call the minister's attention to the fact that this afternoon when I asked for an explanation of the $70,000 odd under item 390 he gave the committee precisely the same explanation that he is now giving for this item. Why should there be two items, almost identical in wording, in the supplementary estimates for this current year? Under civil government item 390 is:

To provide for authorization by the Treasury board of salaries, reclassifications, revisions, promotions and increases, $70,692.

Item 496 reads:

To provide, subject to the approval of the Treasury board, for salaries, reclassifications, revisions, promotions and increases, $89,340.

The wording is practically the same.

Mr. ROBB: One is inside and the other outside.

Mr. ARTHURS: What is the difference between the inside service and the outside at the present time?

Mr. MACKENZIE KING: One is inside and the other outside, that is all.

[Mr. Mackenzie King.]

Mr. ROBB: The inside service comprises the departments in Ottawa; the outside service may include the services at various customs outports as well as post offices throughout the country.

Mr. ARTHURS: In some instances are they not all classified under one head?

Mr. ROBB: Each is under a different vote.

Mr. GUTHRIE: We ought to have this more clearly explained. The first item is 390, "civil government generally": there is neither inside nor outside service about that. That item is for the civil government of Canada, I assume. The item we are now discussing is 496, to provide for salaries, reclassifications, revisions, promotions and increases. The amount of this vote is $89,000 odd. There must be some explanation of these two items and we should like to know what it is.

Mr. MACKENZIE KING: Civil government as set out in the main estimates relates to the inside civil service exclusively, and in addition to that there is the outside service, which is voted as such, although not under the head of civil government. The explanation would be that the same reason that accounts for the sum required in the one case applies equally to the sum required in the other. The Civil Service Commission from time to time make reclassifications of employees, promoting them from one grade to another, and it is impossible before the promotion is made to know what amount will be required to enable the government to pay the extra salary attached to the new grade. It is only at the end of the year that the total amount can be made up. It has been suggested that it might be advisable to have no promotions take effect except at the beginning of the fiscal year, all promotions to become operative at that time. If that were done it would not be necessary to make this request of parliament on each occasion to adjust differences that arise between one fiscal year and another.

Mr. GUTHRIE: Are we to understand that it is definitely stated that the first item is for the inside service and the second for the outside?

Mr. ROBB: As my hon. friend knows, "civil government" is generally understood to apply to the administration of the different departments in Ottawa. The other service might be in Toronto or Montreal or Hamilton.

Mr. GUTHRIE: The distinction is between the outside and the inside. The first item applies to the inside and the second to the outside service.

Mr. ROBB: Yes.

Mr. GUTHRIE: Then we understand that.

Mr. HANSON: The minister says that this vote does not necessarily mean more money. Are there ever any demotions in the civil service?

Mr. ROBB: Very seldom.

Item agreed to.

To provide for salaries and expenses of the advisors engaged in tariff inquiry. Payments may be made notwithstanding anything in the Civil Service Act or regulations thereunder. Further amount required, $25,000.

Mr. WOODSWORTH: Since the procedure in connection with this tariff inquiry has not been very fully worked out I suggest that the public should be given fuller information than it has received so far. Some of us have been supplied with copies of the applicant's case in particular instances but no copy has ever been given of the case in rebuttal or of the conclusions reached by the tariff board. On one occasion I had an opportunity of listening to one of the hearings, when some very important evidence was given against the granting of an application. No report was published in the press of that particular hearing and there is no way in which the public can be apprised of what may be said against any application. Further than that, seeing that the minister is not bound to act on the recommendations of the tariff advisers, there would seem to be no particular reason why the public should not be given at least a summary of the conclusions of the board. The board might be made of great educational value to the public if the arguments pro and con, or a summary of them, could be made available to members of the House and to the country at large.

Mr. KAISER: How many officers are there on the board, and what salary does each receive?

Mr. ROBB: There are three members on the board. The chairman devotes the whole of his time to the work of the board, as does the secretary; the two other members are called in when the board is in session. The chairman's salary is $10,000 per annum and that of the other members $3,000.

Mr. EVANS: I wish the minister would answer the question as to the publication of arguments. The committee would like some satisfactory statement in that regard.

Mr. ROBB: My hon. friend will understand that if the board is to serve any useful purpose it must be in a position to secure information which it might not always be advisable to publish. If this were not understood we might not be able to get such information as would enable us to reach a fair conclusion in respect of every matter submitted to the board. Speaking offhand at the moment, however, I see no objection, if any hon. gentleman moves to that end, to having tabled the report of any particular hearing. I do not see why such a report should not be tabled, reserving whatever information might be deemed confidential. So far I have not observed anything confidential handed in to the board. The board is a free forum where all are heard and the newspapers give, I think, fair publicity to the evidence on both sides.

Mr. HANSON: Are the only matters coming before the board those referred by the minister, or may an application be made by any party directly to the board?

Mr. ROBB: When anyone writes to the minister requesting a reduction or an increase in the tariff the minister replies that, if it is desired, he will submit the request to the board, and he indicates the procedure which is followed. On the recommendation of the retiring chairman we shall change that method somewhat. In view of certain delays that have taken place we shall now require applicants to prepare a brief giving the reasons for any increase or decrease, as the case may be, so that those opposing the application may be in a position to meet the arguments presented.

Mr. WOODSWORTH: Would the minister go further than that? I understand that the memorandum of the applicant is made available to members of the House; I have received several documents of that nature. On the other hand, the counter arguments are not available. If we are to be in a position to judge the merits of a case it would seem reasonable that not only the applicants' memoranda but, as well, the counter arguments be submitted to us.

Mr. ROBB: That is a matter of record in the department; if one is tabled the other will be.

Mr. LADNER: Are these memoranda available automatically to members of the House or are they obtained on request?

Mr. ROBB: I should think it would be by request; many matters are brought up and we must exercise reasonable judgment in running up a big bill. I know that now there is some lobbying going on to increase the amount of printing and to have a lot of

things printed which will be piled away where no person will ever read them.

Mr. GUTHRIE: May I inquire of the minister whether the tariff board on hearing an application makes any recommendation as to what action should be taken?

Mr. ROBB: No, the tariff board is a fact finding board.

Mr. GUTHRIE: They do not make recommendations?

Mr. ROBB: No. The government of the day must take the responsibility.

Item agreed to.

Trade and Commerce—amount required to refund money collected on overages in public terminal elevators, $81,330.74.

Mr. STEVENS: We will have to have some explanation of this, I think. Will the minister give us some idea of what this is?

Mr. ROBB: This amount is the total of the sums paid under protest by the following terminal elevators to the Board of Grain Commissioners in accordance with section 95 of the Canada Grain Act:

Empire Elevator Company, Limited.	$ 2,921 82
United Grain Growers, Limited.. ..	13,281 48
Grand Trunk Pacific Elevator Company. Limited..	15,500 22
Port Arthur Elevator Company.. ..	35,116 73
Thunder Bay Terminal Company..	12,107 62
Saskatchewan Co-operative Elevator Company..	2,030 14
Fort William Elevator Company, Limited..	372 73
Total..	$81,330 74

It was claimed that we had no right to collect these overages; they went to court and the judgment was against us, and we are refunding what was paid in.

Mr. STEVENS: Do I understand that now the government are not permitted under the law to collect any of the overages at all?

Mr. ROBB: The act was amended, so that now we have some right of collection. Under the old act we did not have that right.

Mr. STEVENS: What proportion does the government collect now?

Mr. ROBB: It is the same proportion as before, one quarter of one per cent.

Mr. STEVENS: The elevator company is allowed to retain any overage of one quarter of one per cent, and the government takes anything above that?

Mr. ROBB: I will read the section of the Grain Act and my hon. friend can interpret it. In the year 1919 the Canada Grain Act was amended by adding to section 95 the following subsection:

In the month of August in each year, stock shall be taken of the quantity of each grade of grain in the terminal elevators; if in any year after the crop year ending the thirty-first day of August, 1919, the total surplus of grain is found in excess of one-quarter of one per cent, of the gross amount of the grain received in the elevator during the crop year, such excess surplus shall be sold annually by the Board of Grain Commissioners and the proceeds thereof paid to the said board. Such proceeds shall be applied towards the cost of the administration of the Canada Grain Act in such manner as the Governor in Council may direct.

Mr. STEVENS: How long has that section been in force?

Mr. ROBB: It is included in the new amendments.

Mr. BROWN: It was the clause bringing the elevators under the definition of works for the general advantage of Canada which made possible the application, I think.

Mr. COOTE: I would like to ask the minister if any overages were collected from the public terminal elevators last year?

Mr. ROBB: The returns are not available yet.

Mr. COOTE: Could the minister tell us whether they are collecting any overage at present?

Mr. ROBB: We have no returns from the Board of Grain Commissioners for this year, but they are expected daily.

Mr. STEVENS: How about the end of the last crop year?

Mr. ROBB: That is the year my hon. friend asked about.

Mr. STEVENS: The end of the last crop year was August 31, 1926. There should be a return showing whether there were any overages then beyond one quarter of one per cent.

Mr. ROBB: We have not yet received the returns for 1926.

Mr. COOTE: I do not know whether or not I am correct, but I think the Grain Act was last amended in 1925, and would apply to the crop year ending August 31, 1926, and if the act did cover that year I would like to know whether the Board of Grain Commissioners collected any overages in that year. If not, has the government any policy to set forth definitely here as to whether they intend to collect that overage this year?

Mr. ROBB: It is not a question of government policy; it is a question of the Board of Grain Commissioners administering an act of parliament, and the act provides that they shall collect these overages. As yet, however, these returns have not been received for 1926. We will probably have them available by the time we reach the main estimates, because my deputy informs me that they are expected daily.

Mr. GARDINER: Can the minister tell the committee whether it is the intention of the board to collect these overages?

Mr. ROBB: The act of parliament provides that they shall collect them.

Mr. GARDINER: Has the minister any information as to the intentions of the Board of Grain Commissioners?

Mr. ROBB: I understand that the Board of Grain Commissioners are the servants of parliament and they must carry out the act.

Mr. GARDINER: What would happen if they did not carry out the act?

Mr. LAPOINTE: Put them in the tower.

Mr. GARDINER: Is that to say that any public servants working under a certain act passed by this parliament can do as they like?

Mr. ROBB: No, the intention of the government is that they shall carry out the law as it stands.

Mr. GARDINER: Can the minister assure the House that this law will be carried out?

Mr. ROBB: I shall direct this to the attention of my colleague to-morrow morning.

Item agreed to.

Canada Grain Act—further amount required, $350,000.

Mr. STEVENS: This is a large sum; what is it for?

Mr. ROBB: The amount voted in the main estimates was $1,430,000. Of this sum now asked for, $200,000 was to provide for the estimated additional requirements for 1925-26. The amount actually required, however, was only $146,993.33, this sum being the amount of unpaid accounts on hand as of March 31, 1926. The balance, $150,000, is to provide for the reorganization of the grain research laboratory and the establishment of other services in connection with the administration of the act. I think last year we made some commitments to improve the laboratory system.

Mr. EVANS: Is any provision being made to establish the relative value of some of the grades? There is great dissatisfaction throughout the country this year in relation to dried grain, the people feeling that they have not had a square deal as to the setting of the grades, particularly of grain that has come forward in a damp or tough state.

Mr. ROBB: I understand that Dr. Tory, the head of the research commission, is looking very closely into the matter, and the commission are getting along as fast as possible with the equipment for making the necessary chemical tests.

Mr. EVANS: Has he been authorized to do that?

Mr. ROBB: Yes.

Mr. GUTHRIE: Has anything been done towards grading the grain as the millers do, according to the protein content rather than following the practice adopted before? I have received some letters from the west on this subject. It seems that the millers in every case grade grain according to the protein content, and it is pointed out that this would be a practical way of carrying out the grading if the government, or the grain commission, would take the necessary steps to have it done. Has anything been done, or is anything contemplated, in that direction now?

Mr. ROBB: I think this vote is partly to provide for making an attempt along that line. Of course, as my hon. friend knows, each miller has his staff, and what they do is this: They test the wheat in different localities, and in localities where they discover that there is a larger percentage of gluten they pay a little more money for the wheat.

Mr. COOTE: Before the vote carries may I draw the attention of the minister to the advisability of conferring with this board? Possibly they would need to ask for a somewhat larger estimate next year if they desire to carry out the recommendation I wish to make. I suggest that they should make provision for enough travelling expenses so that the inspectors may be changed from one inspection district to another during the season. The greatest complaint that could be made against our inspection system at the present time is, I think, that there is nothing uniform about it. A sample of wheat which will grade No. 3 at Calgary will grade No. 2 at Winnipeg, and maybe No. 4 at Edmonton, or sometimes the reverse will be the case. At any rate there is nothing uniform about the system; it is quite easy to get two different grades on the same sample of grain. I think the best way

to correct that is to have a frequent interchange of inspectors between different offices. The only additional expense entailed would be the travelling and living expenses of the inspectors while they are being temporarily transferred from one office to another. I think we must endeavour to make this system much more uniform than it is now, and it seems to me that what I suggest is one of the best ways of getting that done. I hope the minister will see that the matter is taken up with the board so that if possible they may make provision for having some such interchange of inspectors during the next inspection season.

Item agreed to.

Halifax elevator—additional amount required, $130,000.

Mr. STEVENS: What is that for?

Mr. EVANS: To what extent is this elevator being used? Has there been an increase in the quantity of wheat going through Halifax during the last year or two?

Mr. ROBB: My hon. friend knows that Halifax is largely a winter port. It was complained, when the elevator was completed, that there were only facilities for loading a vessel at one dock. This additional expenditure is to provide for carriers to three different docks so that there will not be any delay in the loading of vessels when they come to the port.

Mr. COOTE: Does the minister think that this will really help in causing the elevator to be used?

Mr. ROBB: It has been so represented to us by the railway and shipping companies.

Mr. QUINN: Is there any likelihood of this money being spent before March 31, 1927?

Mr. ROBB: I could not say. I think a part of the money has been already spent. If it is not spent we will have to re-vote it so as to continue the work which is under contract.

Mr. CANTLEY: How much grain has gone through the Halifax elevator up to the present time, or up to the end of the year?

Mr. ROBB: I have not that information here.

Item agreed to.

Equipment of elevators—further amount required, $78,150.

Mr. SPENCER: We must have some explanation of this.

Mr. ROBB: The expenditure on the Port Arthur elevator is $29,900. Then there are these other items:

Moose Jaw elevator: alterations to driers, $8,850.

Saskatoon elevator: alterations to driers, $8,850.

Calgary elevator: alterations to driers, $8,850.

Construction and installation of additional drying equipment and boiler house, $75,000.

Construction and equipment of feed-chopping and sacking plant, $30,000.

Item agreed to.

Prince Rupert elevator site, $165,000.

Mr. STEVENS: What is the explanation of this rather extraordinary item?

Mr. ROBB: This amount is required to pay for the site of the Prince Rupert elevator.

Mr. STEVENS: Three years after it was built.

Mr. ROBB: The valuation placed on this site—part of water lot E—is $70 per foot for the 1500-foot frontage, which amounts to $105,000, and in addition to this—60,000 yards of rock filling at $1 per yard was placed on the site, thereby bringing the valuation up to $165,000. The property in question belonged to the Grand Trunk Pacific Railway Company and the Grand Trunk Pacific Development Company, of which two companies the Minister of Railways and Canals is the government receiver. The properties of these companies are being administered by the Canadian National Railways as agents for the government receiver in liquidation. So we had to pay this amount into these companies to keep ourselves straight with the bond-holders of the Grand Trunk Pacific.

Mr. COOTE: What amount of grain went through the Prince Rupert elevator last year?

Mr. ROBB: I am not sure that we have those figures. The elevator now is under lease to the Grain Growers Grain Company.

Mr. COOTE: Who was responsible for the valuation of $70 a foot placed on this site?

Mr. ROBB: The arbitrators, I think. We had arbitrators so as to protect the government, and in order that the bond-holders of the Grand Trunk Pacific and of the Grand Trunk Pacific Development Company should not say that the government had treated them unfairly in the handling of this land. I have not the names of the arbitrators before me.

Mr. SPENCER: I think the minister is in error in the statement he has made. He told the House that the elevator was under lease to the Grain Growers Grain Company. Is it not the Alberta wheat pool?

Mr. ROBB: I think my hon. friend is right. It is the Alberta wheat pool.

Item agreed to.

British and foreign news service—additional amount required, $16,000.

Mr. HANSON: This is the vote to Reuters, is it not?

Mr. ROBB: Yes.

Mr. HANSON: The minister voluntarily struck out a portion of that item when the main items were under discussion. I should like to inquire in regard to the change of heart.

Mr. ROBB: I am glad my hon. friend brought that up. Objection was raised to the vote by hon. gentlemen opposite when it was brought forward. I said "Very well, if it is not agreed to by the House I will reduce it." I did reduce it, and the next day some of the hon. members on the front benches on the opposite side who had opposed the item came to me and wanted it restored. They recognized that it was a fair way of sending Canadian news around the world, and I think I am restoring it with the consent of both parties, who recognize the value of it for advertising purposes.

Mr. WOODSWORTH: Would the minister state more in detail how this service is carried on?

Mr. ROBB: The statement I have before me is very lengthy. Perhaps I can give it to my hon. friend in brief form, because I made the contract with them some years ago when we subsidized Reuters. They gather the news themselves through their representatives in Canada. That news is cabled to the head office. It is distributed sometimes by cable and sometimes by mail service to all parts of the world on general items affecting Canada, so that we feel that it gives Canada publicity in all countries where Reuters have agencies.

Mr. WOODSWORTH: They have entire discretion?

Mr. ROBB: Oh, yes.

Item agreed to.

Adjustment of war claims—Secretary of State —further amount required, $8,672.18.

Mr. STEVENS: While we are on that vote will the minister tell me when we may expect some definite report about the adjustment of these war claims.

Mr. RINFRET: I think I may confidently tell the committee we may have a report next week. I will not pledge myself that it will be a complete report, but there will be some progress made.

Mr. STEVENS: Will that report show claims approved for payment and will payment be made within a reasonable time?

Mr. RINFRET: The House will have to determine what way payment is made, if any payment is made at all. But the commissioner will make his report on the great number of cases before him.

Mr. HANSON: Is this item to pay the salary of the commissioner?

Mr. RINFRET: Yes, and travelling expenses.

Mr. HANSON: How much has it cost the country to date under the various commissioners who have been in charge of the commission? I know there have been three.

Mr. LAPOINTE: They are all New Brunswick men.

Mr. HANSON: Yes, and they worked very well; I am not complaining about that. But the point is, why should not the cost of the adjustment of the claims be borne out of the money in the hands of the custodians? Why should the country be put to this expense?

Mr. RINFRET: There might be a balance when everything is adjusted that will go back to the treasury, and that will meet my hon. friend's demands.

Mr. CLARK: Will the report show the names of the individual claimants whose claims have been adjusted?

Mr. RINFRET: I expect so, yes.

Item agreed to.

Mulgrave and Canso—steam service between —additional amount required, $10,000.

Mr. HANSON: How much are they getting now?

Mr. ROBB: The amount now is $13,500.

Mr. HANSON: And this will make $23,500.

Mr. ROBB: Hugh Cann & Son of Yarmouth had the contract for this service and provided a daily service, except Sundays, between Mulgrave and Canso, and for some years Hugh Cann & Sons Limited have received a sum of $13,500 per annum for the service. Reports however were made to the effect that in order to develop the fish business at Canso it was necessary to obtain a larger vote, and also to reduce the charge from the old rate of twenty cents per hundred pounds to six cents per hundred pounds. Arrangements were then made with the Lovat Steamship company for a three months'

period at $6,000 per month. The Hugh Cann service was only a seasonal service. This is a winter service.

Item agreed to.

St. John and St. Andrews, calling at intermediate points, steam service between—additional amount required, $1,000.

Mr. HANSON: Why is the minister increasing this subvention? This is only a weekly service, is it not, and they have been getting the regular subsidy right along.

Mr. ROBB: The contract for this service has been held by the Maritime Steamship Company of Black Harbour, Nova Scotia, since 1909. The subsidy was $4,000 per annum up to March 31, 1924, when it was reduced to $3,000, and it has remained at $3,000 per annum up to the present time. The same amount was provided in the main estimates for 1926-27. The contractors represent, however, that their expenses on this service are so heavy that it is impossible for them to continue running unless their old subsidy of $4,000 per annum is restored. The company's financial statement for the year ending March 31, 1926, has been received. I do not know whether it is fair to put this on the record or not—

Mr. HANSON: I would not ask that. I will take the minister's word.

Mr. ROBB: Their request is quite justified according to the statement.

Mr. SHORT: Now that we are increasing many of the steamship subsidies, can the minister give me any reason why the subsidy granted to the steamship line running between Bridgetown and St. John was withdrawn? That is the only subsidy of the whole lot, I believe, that has not been renewed. Is there any good reason why this particular subsidy should have been dropped from the list altogether? Will the minister give me an assurance that it will be renewed?

Mr. ROBB: I am quite willing to do my hon. friend this service, to say that if a vote is not in for that particular line, it is not his fault, because last year he represented in season and out of season that such a vote should go into the estimates. It was put in the estimates by the department, but when it came before the Treasury board it was dropped, because, I suppose, my hon. friend had not convinced us that it was necessary. I repeat, however, that if it is not in, it is not the fault of my hon. friend.

Mr. SHORT: That is not a very satisfactory answer. I would like to know whether or not it will be in next year. This service has been performed for the last eleven years, but for some reason unknown to me, and which I cannot find out, the subsidy was dropped.

Mr. ROBB: I shall direct the observations of my hon. friend to the Minister of Trade and Commerce. He will have to wrestle with it this year.

Item agreed to.

Ottawa parliament building—to improve acoustics of House of Commons, $4,000.

Mr. CANTLEY: What has been done in that connection?

Mr. ROBB: This vote is to improve the acoustics of this building.

Mr. STEVENS: I do not notice $4,000 worth of improvement.

Mr. EVANS: I am afraid the acoustics have not been improved very much, because I have not been able to hear yet, Mr. Chairman, what item you are reading.

The CHAIRMAN: It is item 419, on page 4 of the supplementary estimates for 1926-1927—"to improve the acoustics of House of Commons, $4,000."

Mr. GUTHRIE: What is proposed?

Mr. ROBB: The best acoustical expert available in the United States was called in. He has examined this chamber and has reported that there is not very much to be done; so while the item is here to be voted, it is questionable whether we shall spend the money. I will read the report of this expert for the information of hon. gentlemen:

As a result of the tests, I feel sure that the House chamber is unusual in the clarity with which speech of very moderate volume can be heard and understood in it. When the House is not in session an ordinary conversational tone is loud enough to be audible if one listens, and if one is not disturbed by extraneous sounds. It would hardly be wise, however, to count on so small a volume of sound being satisfactory when the House is in session, yet it was obvious when I was there that many of the members did not raise their voices materially above the ordinary conversational level in addressing the House. It may be an effect of the extraordinarily good acoustical qualities of the room that the members may sometimes think a low tone is sufficient, but when the press representatives and the public in the galleries are to hear, it seems to be absolutely necessary that the speaker should use as loud a tone as though he were in any other hall addressing an equal number of persons.

On your suggestion I have also considered the question of supplying the House chamber with microphones and loud speakers. On the whole my recommendation is decidedly adverse. It is evident that the formal speeches in the

House are clearly audible to the members, the Speaker, the press, and a good proportion of the public. Interjected remarks, quick questions and answers, and the like, which seem to be not infrequent in the House procedure, are sometimes lost, but they could not be amplified by any practical arrangement of microphones. Each member would have to have one on his own desk and would have to keep it disconnected when rustling papers or making other noises, and turn it on before making remarks.

Mr. STEVENS: That is worth $4,000 in itself.

Mr. RENNIE: Would it not be possible to get someone residing in Canada to make a report of this kind, instead of going to the United States to get someone to tell us what we ought to do?

Mr. ROBB: The chief engineer of the Johns-Manville Company, a Canadian, was associated with this gentleman.

Mr. EDWARDS (Frontenac): Did that report cost $4,000?

Mr. ROBB: No. We put that amount in, expecting to do something with it, but it is questionable whether it will be needed.

Mr. CLARK: How much did this report cost?

Mr. ROBB: We paid just the travelling expenses of this expert and—

Mr. CLARK: No fee?

Mr. ROBB: A fee of about $100.

Item agreed to.

Harbours and rivers—Quebec harbour —Champlain dock—further amount required	$ 84,400
Port Arthur and Fort William—harbour improvements — further amount required	35,000
Sorel—harbour improvements	100,000

Mr. STEVENS: What are the needs calling for these trivial amounts to be put in the supplementaries?

Mr. GARDINER: Mr. Chairman, is the Champlain dock under the control of the harbour board?

Mr. LAPOINTE: Oh no; the Department of Public Works.

Item agreed to.

Public Buildings, Nova Scotia—Halifax—H.M. gun wharf—clothing store—revote, $8,000	$ 15,000
Halifax—repairs to buildings and wharfs at R.C.N. barracks and H.M.C. dockyard—revote, $3,700	25,340
Mahone Bay—public building	10,000

Mr. ERNST: Has any money been expended on Mahone Bay to date? If not will any portion of this vote be expended before March 31?

Mr. ROBB: Nothing has been spent there yet.

Mr. ERNST: Will anything be spent before March 31?

Mr. ROBB: It is not likely.

Mr. ERNST: Is the minister able to give any assurance that the item will be reinstated in the main estimates for 1927-28?

Mr. ROBB: I would not care to commit myself as to that.

Mr. ERNST: I ask because this is something like the Guysborough railway—it has been promised to the people of Mahone Bay for a good many years.

Item agreed to.

Prince Edward Island—Kensington—public building, $12,000.

Mr. HANSON: Has this money been spent?

Mr. ROBB: No. That is another new building.

Mr. EDWARDS (Frontenac): For what purpose?

Mr. ROBB: A post office.

Mr. EDWARDS (Frontenac): What is the size of the place?

Mr. ROBB: The population in 1921 was 556, and it was the same in 1926. Kensington is 39 miles from Charlottetown and 9 miles from Summerside. It contains three hotels, four churches, one bank, one butter and cheese factory and one sash and door factory. Of course the post office serves a large surrounding country.

Mr. EDWARDS (Frontenac): What is the revenue from this office?

Mr. ROBB: About $3,000.

Mr. EDWARDS (Frontenac): What are the reasons why Kensington with a population of 500 and a postal revenue of about $3,000 should have $12,000 expended for a post office, when other places—for instance, Sydenham in the county of Frontenac—have waited a long time in order to get cold justice, although they have much larger populations and greater postal revenues? What particular constituency is Kensington in, and just what peculiar pull has the member got? I should like to get a little information on this in order that by copying the same sort of manoeuvre

I might secure something for my riding. I am perfectly frank; will the minister be equally frank in telling me what justification there is for spending $12,000 for a post office in a little place of 500 inhabitants, while other places from the Atlantic to the Pacific with two or three times that population are ignored? The minister says, you have to take into consideration the surrounding country. Well, invariably there is country surrounding every town and village, and Kensington with a population of 500 is not the only place so surrounded. I should like to shake hands with the member for the constituency in which Kensington is situated. What particular pull has he got on this government to be able to draw $12,000 out of the treasury for a post office in a little village of 500 population, while other parts of the country have never had a dollar spent on them since confederation and have to wait for favours until they smile in such a way as to suit hon. gentlemen opposite?

Mr. ROBB: Mr. Chairman, I sympathize with the viewpoint of my hon. friend from Frontenac. I represent a constituency that has received no public buildings since confederation—a very good constituency too.

Mr. EDWARDS (Frontenac): But the difference between my hon. friend and myself is that while his constituency may be in the same position as mine in not getting anything for public buildings, yet look at what it is getting through the salary that its member is pulling down?

Mr. ROBB: Would you not like to do that?

Mr. EDWARDS (Frontenac): Yes, in three or four years we may change places, and then my turn will come. But that does not answer my question. Seriously, what are the grounds to justify $12,000 being spent at this particular spot in these very hard times? —because the minister always puts up that plea, lack of money.

An hon. MEMBER: The building is needed.

Mr. EDWARDS (Frontenac): No, it cannot be from the standpoint of need, because if that place needs a post office, there are other places of larger population and providing much more postal revenue that have waited a longer time to get justice. I appreciate the fact that during the period of the war lots of public works had to be left in abeyance, but now the time is come when this or any government that may be in power ought to consider seriously the fact that many places throughout the country have waited during those years of the war and do deserve some consideration for the length of time that they have waited. I want to see fair play all round. Will the minister answer my question: What are the reasons why Kensington is treated in this favourable manner while other places with stronger claims are passed by?

Mr. MacLEAN (Prince): Mr. Chairman, my hon. friend from Frontenac said he would like to shake hands with the member who represents the county in which Kensington is to be found. Well, if he will just come across the floor and up this aisle I shall be glad to shake with him. This vote is being considered by the House because, although the population of this little town may not be quite sufficient to meet the requirements for a public building, still what it lacks in quantity is made up in quality, and, as the Minister of Finance has said, it is the centre of a very large surrounding country and a considerable number of rural routes are served from the local post office. Moreover, there is a strong demand from the whole community for a public building. At present there is no suitable building there sufficiently large and heated for a post office; it is not in the centre of the town nor does it fill the requirements, although it is well kept and has served the community for a long time. We ask, not perhaps for a $12,000 building, but for a building which will give the town and country better accommodation than they have to-day. My hon. friend from Frontenac (Mr. Edwards) is a genial, good-natured fellow who is always willing to support anything that is fair and just, and I am surprised that he should get up now and single out this one small item for the little province of Prince Edward Island and attack it in the way he has done. I appeal to the hon. gentleman to support me in my request for improved accommodation for that little town down there and I promise him that when he comes forward with a similar request I will back him up and do my best to see that his constituency gets what it deserves.

Mr. EDWARDS (Frontenac): It would not do for me not to express my appreciation of the hon. gentleman's promise. I sincerely appreciate it, coming as it does from a member who has been as successful as he has been in securing what he wanted for his own constituency. He says that the people there do not want a $12,000 building. Well, I feel I have a strong ally in him and I am prepared to shake hands with the hon. member on this matter and go arm in arm with him to the

Minister of Finance with a request for half or less than half that appropriation for my constituency. I can understand why this vote is going through; I saw the reason the moment the hon. gentleman rose to his feet. You have only to take one look at him, a fine upstanding fellow, to realize how he put it over the Minister of Finance. There of course he has an advantage which I cannot claim: I have not the same engaging features nor have I the same appeal in the matter of physique. But notwithstanding these handicaps I am ready to go with the hon. gentleman and, on the strength of his promise, appeal to the Minister. I am sure my constituency would benefit one hundred per cent, and then somewhat. The hon. member says his people do not expect the whole $12,000. Why then is $12,000 being voted? On that point I want to make this observation in all seriousness. I believe that millions of dollars have been wasted in this country in putting up public buildings here and there because of the pull which this or that particular member had on the government. Because of that pull he was able to obtain an expenditure in his locality fifty or seventy-five per cent over and above what was really needed. If a man had the necessary influence he could get a building costing $50,000 when one of $20,000 would have been more in keeping with the other buildings in his district. I do not wonder that the hon. member says they do not expect the whole of $12,000; I should not think they would in a village of 500. In my constituency there is a larger village than that whose claim is stronger, and I appeal to the minister to cut that $12,000 in two and allot half of it to Kensington to provide the kind of building they ought to have there, and give the other half to Frontenac. Both places would then have buildings in keeping with their importance.

Mr. ROBB: What do you say to cutting them both out?

Mr. EDWARDS (Frontenac): No; I do not say that. I want my hon. friend who is interested in this vote to understand that I am not in any way knocking the item. I do not want him to labour under any such impression. I simply say that $12,000 is more than is required for such a building as would be suitable to a village with a population of 500. For some reason or other, because of some magnetism by which fortunately his constituency benefits, a member is able to get twice as much spent as is necessary, while the money ought to be distributed around so that other places which for many years have been waiting for some consideration might get something.

Mr. ADSHEAD: The hon. member for Frontenac (Mr. Edwards) suggests that some one probably had some pull to get a post office somewhere in Prince Edward Island. May I remind that hon. gentleman that somebody must have had a pull when the government of which he was a supporter was in power to have a post office in Calgary, not put up but pulled down. The post office there was pulled down and we have had to rent a building. I would suggest to the Minister of Public Works that a building be erected in my constituency in the near future to take the place of the one pulled down in 1911.

Item agreed to.

Quebec—Baie St. Paul—site for public building, $4,000.

Mr. EDWARDS (Frontenac): What is that for?

Mr. ROBB: It is intended for the purchase of a site for a public building in Baie St. Paul. The estimated cost of the building is $27,000. We propose at present to purchase only the site.

Mr. ARTHURS: What is the population?

Mr. ROBB: 2,600.

Mr. EDWARDS (Frontenac): What is the building for?

Mr. ROBB: A post office.

Item agreed to.

Chicoutimi public building—addition, $20,000.

Mr. EDWARDS (Frontenac): What is that for?

Mr. ROBB: This is for a two-storey stone addition to the public building at Chicoutimi. It is an extension to provide for increased accommodation for the postal and customs services. There has been a very large development up there.

Item agreed to.

Drummondville—public building, addition, $13,000.

Mr. EDWARDS (Frontenac): Is this another post office?

Mr. ROBB: No, this is a one storey addition at Drummondville, where there has also been a large development, with new factories going up.

Item agreed to.

Gaspe—purchase of building for postal purposes, etc., $20,000.

Mr. ROBB: That is a rented building which it is proposed to purchase; it would be cheaper to own than to rent. The present rental is $700 per annum, of which $175 is paid by the Post Office department and $525 by the Department of Public Works.

Mr. EDWARDS (Frontenac) : Is this a post office?

Mr. ROBB: Yes, and it is for the customs as well.

Mr. HANSON: What is the assessed value of the property for which it is proposed to pay $20,000?

Mr. ROBB: Mr. John Baker of Gaspé was asked to submit a valuation in March, 1926, and he valued it at $20,000 for the building and $5,000 for the land.

Mr. EDWARDS (Frontenac): Where is that situated in Gaspé?

Mr. ROBB: At the harbour.

Mr. EDWARDS (Frontenac): What is the size of the place?

Mr. ROBB: The total postal revenue for 1924-25 was $3,858.69.

Mr. EDWARDS (Frontenac): Would the minister give us some idea of the character of this building; is it brick, or frame, or log?

Mr. ROBB: It is a brick building, apparently.

Mr. DUNNING: Here is a picture of it; it is a very fine building.

Mr. GARDINER: Did the minister state that the income of this post office was between $3,000 and $4,000 a year?

Mr. ROBB: The gross revenue was $3,858.69.

Mr. GARDINER: Is this building used for any other purposes?

Mr. ROBB: It is used for customs and telegraph purposes.

Mr. GARDINER: What proportion of this building will be taken up by the postal service?

Mr. ROBB: The ground floor, and the next floor is the customs.

Mr. ERNST: Did I understand the minister to say that the total rental to-day was $700 per annum?

[Mr. Robb.]

Mr. ROBB: This lease must have been made just prior to the government going out in 1921, because it is dated December 21, 1921.

Mr. ERNST: I ask because I was unable to understand the statement of the minister that it would be cheaper to buy than to rent. At five per cent the interest on $20,000 would be approximately $1,000.

Mr. ROBB: They require larger accommodation.

Mr. DUNNING: The whole building is not now rented.

Item agreed to.

Grosse Isle quarantine station—shelter shed, $22,000.

Mr. QUINN: Explain.

Mr. ROBB: This is for increased accommodation at the quarantine station, which, as my hon. friend understands, serves as a quarantine station for all vessels coming up the St. Lawrence.

Mr. QUINN: I notice in the estimates for Nova Scotia there is a vote of $2,500 for the quarantine station at Halifax, for repairs and improvements. In comparison, $22,000 for a shelter shed at Grosse Isle appears to be a very large amount, because the quarantine station at Halifax is used six months a year, the same as the station at Grosse Isle.

Mr. ROBB: My hon. friend will realize that at Halifax it was a repair but this is a new shed. My friend knows there is greater immigration during the summer months than during the winter months. The officers of the Department of Health advise what is required and we are doing this on the recommendation of the medical advisers of the department.

Item agreed to.

Maisonneuve — public building — further amount required, $75,000.

Mr. EDWARDS (Frontenac): I think we should have a little explanation here.

Mr. ROBB: This building which we are purchasing for a postal station is the old Maisonneuve city hall. Maisonneuve is one of the growing parts of Montreal and is a large manufacturing centre. As my friend will recall, all these suburban parts have been taken into the city, and this building is now available.

Mr. QUINN: Who represents that constituency?

Mr. ROBB: Mr. Robitaille.

Item agreed to.

Montreal—postal station in Outremont division, $50,000.

Mr. EDWARDS (Frontenac): Is this a new building or an addition?

Mr. ROBB: This amount is required for the purchase of a site and the erection of a public building there. No site has yet been decided upon. As my hon. friends know, Outremont is a large, growing part of Montreal, a residential centre, and the revenue there was over $23,000.

Mr. EDWARDS (Frontenac): Does this cover the purchase of the site and the erection of the building?

Mr. ROBB: No.

Mr. EDWARDS (Frontenac): Has the minister any idea of how much the site will be?

Mr. ROBB: No.

Item agreed to.

Montreal postal station site—to cancel agreement, $5,000.

Mr. GARDINER: What is the explanation for this item?

Mr. ROBB: This was a trades union organization which undertook to buy some government property. They made a deposit on account, but owing to the war they got into financial difficulties and we are now paying back the amount of their deposit and keeping the property.

Item agreed to.

St. Jerome public building—alterations, etc., $13,000.

Mr. EDWARDS (Frontenac): When an item refers to a public building and the character of the building is not specified, are we to assume that it is always a post office?

Mr. ROBB: No.

Mr. EDWARDS (Frontenac): If we know that it will save time and also questions.

Mr. ROBB: Generally speaking it is a post office that is referred to, but it may be a customs building, or a customs and post office building combined.

Mr. EDWARDS (Frontenac): What is the nature of the building here?

Mr. ROBB: It is a combined post office and customs building.

Item agreed to.

St. Jacques l'Achigan—public building—further amount required, $5,000.

Mr. EDWARDS (Frontenac): How much has already been spent there?

Mr. ROBB: This amount of $5,000 is required in addition to the sum of $16,000 in the main estimates, for the construction of a public building in the town of St. Jacques, and also for the installation of the necessary fittings, lock-boxes, sidewalks and grading. The building is being erected under contract at a contract price of $15,450 on a site situated at the corner of Main street and the road leading to the factory. It is required for postal purposes, and so on.

Mr. EDWARDS (Frontenac): The amount will be about $21,000, altogether if I heard correctly.

Mr. ROBB: The probable cost will be about $24,000.

Mr. EDWARDS (Frontenac): What is the population?

Mr. ROBB: The population of the village is given as 1,332 and of the parish as 1,714. The postal revenue in 1924-25 was $2,477.05.

Item agreed to.

Westmount—armoury, $6,687.85.

Mr. ROBB: That is only a payment under contract.

Mr. GARDINER: This is not a new building?

Mr. ROBB: No. The contract was entered into some years ago and we are making annual payments. We shall own the building at the end of the prescribed period.

Item agreed to.

Ontario: Brant hotel, Burlington—to provide for a payment of outstanding accounts incurred by expropriation proceedings, $14,000.

Mr. EDWARDS (Frontenac): What is this for?

Mr. ROBB: The building was formerly a military hospital. This is to provide for the payment of accounts in connection with expropriation proceedings.

Mr. RENNIE: I believe this building is vacant now, what use will be made of it in the future? The former inmates have gone to Christie street hospital. What does the government propose to do with this building in order to derive some revenue from it?

Mr. ROBB: It was put up for tender and no person tendered for it. If my hon. friend desires to purchase the property he might make a deal with the Department of Public Works.

Item agreed to.

Durham—public buildings, $20,000.

Mr. EDWARDS (Waterloo): What is the population of Durham, and what revenue is derived from this office?

Mr. ROBB: The population numbers 1,640, but there is quite a thriving district surrounding it. The postal revenue is $6,308.22

Mr. EDWARDS (Waterloo): My reason for asking the question is that in the town of Hespeler, Waterloo county, the population is approximately 3,000 and the post office is in a rented building. The government has owned a site for some ten years and an amount for constructing a public building has been placed in the estimates for three or four years in succession and yet nothing has been done. I should like to know what pull Durham has which enables it to get a vote of $20,000 for a public building when we cannot get anything for the town of Hespeler.

Mr. ROBB: What is the postal revenue in the town of Hespeler?

Mr. EDWARDS (Waterloo): It is a manufacturing town with a population of 3,000.

Mr. ROBB: I will have the matter looked into.

Item agreed to.

London—tractor for postal purposes, $4,500.

Mr. ROSS (Moose Jaw): What kind of a tractor is that?

Mr. ROBB: An electric tractor for carrying the mail around.

Item agreed to.

Ottawa—public buildings—paving roadways, $25,500.

Mr. EDWARDS (Frontenac): On what basis are these appropriations made for the construction of sidewalks?

Mr. DUNNING: They are for sidewalks around the public buildings.

Mr. EDWARDS (Frontenac): Simply on the grounds of the public buildings?

Mr. DUNNING: Yes.

Mr. EDWARDS (Frontenac): That is to say the government owns the property.

Mr. ROBB: We have to make provision for local improvements on streets on which the government own property.

Mr. EDWARDS (Frontenac): Only there?

Mr. ROBB: Yes.

Item agreed to.

[Mr. Robb.]

Rockland—public building, $25,000.

Mr. EDWARDS (Frontenac): What kind of building is that?

Mr. ROBB: A post office and customs building.

Mr. ARTHURS: What is the population?

Mr. ROBB: The revenue is $2,745.84. Rockland is a town on the Ottawa river, twenty-two miles east of Ottawa, connecting with the Canadian National railways. The population is 3,354 and there are some very large mills down there.

Mr. GARDINER: The minister said the postal revenue was a little over $2,000?

Mr. DUNNING: The amount he gave was $2,745.84.

Mr. GARDINER: What is the revenue from other departments there?

Mr. ROBB: I have not got that here.

Mr. GARDINER: Was the expenditure of this amount justified in a small place of that description with such a small revenue? It seems to me the expenditure for public buildings has no relation to the income. I think the government should take that point into consideration when advancing sums of money for public buildings. This country cannot afford to spend extraordinary sums of money in places where the income is very small. On the other hand, there are places where the income is substantial, and the building appropriation is not sufficient. It does not seem to me that the matter has been given the full consideration which should be given to it, and I believe the time has arrived when a new policy should be evolved in dealing with public buildings of this description.

Mr. ARTHURS: I have in my district a town without public buildings, and even a constituency without a public building. We have in the town I represent an annual average income of about half a million of customs for many years, a postal revenue of many thousands, and a population much greater than any of those cited here to-night, and yet no consideration is given to such cases. I think some policy should be laid down whereby the revenue and the needs of the various peoples should be considered, rather than political exigencies.

Item agreed to.

Sarnia—purchase of building for armoury purposes, $24,000.

Mr. HANSON: Is this a new expenditure? Is the government embarking on a new policy of building armouries?

Mr. DUNNING: Not building—buying them.

Mr. ROBB: This is the boys' brigade hall.

Mr. ARTHURS: Has it the approbation of the member for Southeast Grey?

Mr. EDWARDS (Waterloo): Has there been any appraisement made of that hall at Sarnia?

Mr. ROBB: It has been appraised at $30,000 and the land at $9,000, making a total of $39,000.

Mr. EDWARDS (Frontenac): I understand the building was to be specially used for training cadets and boys.

Mr. DUNNING: It is the boys' brigade hall.

Mr. EDWARDS (Frontenac): Are we to understand that it is to be used for the purpose of installing warlike instincts into the boys?

Mr. ROBB: No, to get them away from it.

Mr. EDWARDS (Frontenac): What does the minister want it for?

Mr. ROBB: For the ordinary reasons.

Item agreed to.

Toronto Postal Station "A"—mechanical equipment—further amount required, $50,000.

Mr. EDWARDS (Frontenac): This seems rather a large amount for so insignificant a place as Toronto.

Item agreed to.

Winnipeg—Fort Osborne barracks—new boilers, $10,000.

Mr. EDWARDS (Waterloo): What boilers were specified in that contract?

Mr. ROBB: I do not know that I have the specifications—high pressure boilers, I could not tell you whose boilers.

Mr. EDWARDS (Waterloo): I do not want the particular make or type, but it was a high pressure boiler?

Mr. ROBB: Yes.

Item agreed to.

Wainwright—public building, $15,000.

Mr. GARDINER: What is this building at Wainwright for? Is it not in Alberta?

Mr. ROBB: This is for the erection of a public building on the corner of Main street and Third avenue, 52 feet 6 inches by 33 feet, on concrete foundations.

Mr. GARDINER: For postal purposes?

Mr. ROBB: Yes.

Mr. GARDINER: What is the revenue at that point?

Mr. DUNNING: The revenue is $6,313.

Item agreed to.

Camrose—public building, $15,000.

Mr. GARDINER: What is it for?

Mr. DUNNING: Postal and customs.

Mr. GARDINER: What is the revenue of the postal department there?

Mr. DUNNING: $14,000.

Mr. GARDINER: Is the minister satisfied that this building is adequate when the revenue derived from that point is taken into consideration?

Mr. ROBB: Does my hon. friend recommend any larger amount?

Mr. GARDINER: I am asking why the difference, when we take into consideration the total amount of revenue derived from these other post offices and the amount that is being voted for post office buildings at these points.

Mr. DUNNING: The population in this case is only 1,800.

Mr. GARDINER: But the revenue, I think, is the main thing. Here is a building costing $15,000, when the revenue from that point is over $14,000. We have just passed an item for a $25,000 public building at Rockland, I believe, where the revenue was only $2,700. That merely emphasizes what I stated before, that no consideration seems to be given to the amount of revenue being derived from these post offices.

Mr. DUNNING: The estimated cost of this particular building is $52,000. This vote is only a beginning.

Mr. LUCAS: The last postal return shows the revenue from the Camrose post office to be $16,500. There is also a custom house there with a revenue of over $50,000, and I might add that there is a large surrounding country to be served. It is recognized, I think, that the Camrose district is one of the premier districts of the province of Alberta. It is also recognized by the postal authorities that Camrose is due for this expenditure on a public building, and I thank the government for including it in the estimates.

Mr. ROSS (Moose Jaw): I always thought Wainwright was in Alberta, Mr. Chairman, and I would ask that the item for a public building for Wainwright be charged up to Alberta and not to Saskatchewan.

Item agreed to.

Vancouver—Winch building—taxes, $8,901.87.

Mr. GARDINER: What are these taxes for?

Mr. ROBB: These were the taxes that had accrued from the time we took over the property up to the end of the taxable year. That was the bargain we had with them.

Mr. GARDINER: The property is not taxable now?

Mr. ROBB: No.

Mr. DUNNING: Only for local improvements.

Item agreed to.

Experimental farms—new buildings, $74,000.

Mr. GARDINER: Where are these new buildings located?

Mr. DUNNING: This item covers practically every one of the farms. I will read the list if my hon. friend desires.

Mr. GARDINER: If it is a long list I do not want it read.

Mr. DUNNING: It is a long list, including nearly every farm. Summarized, the amount is $65,910 for the Central experimental farm, Ottawa, and $95,900 for the branch farms.

Item agreed to.

Parrsboro—harbour improvements—further amount required, $6,500.

Mr. SMITH (Cumberland): Would the minister explain this item?

Mr. ROBB: This is for the completion of the contract.

Mr. SMITH (Cumberland): Is this in addition to the contract price?

Mr. DUNNING: The amount of $6,500 is required for the following purposes:

(1) To pay balance due Minas Basin Dredging Co., on dredging contract..		$3,434 38
(2) In memo. of April 7, 1926, the chief engineer states that an amount of $2,000 is required to improve the approach to the new wharf and also to improve the channel and basin. The estimated cost of this work is as follows:—		
1,050 cu. yds. scow measurement, mud, clay and gravel at $1.50..	$1,575 00	
425 cu. yds. overcast at $1.00..	425 00	
		2,000 00
(3) Providing additional guard to public wharf under contract with Mr. Thos. P. Charleson..		413 00
(4) Replacement of beach protection		500 00
Contingencies..		152 62
Total..		$6,500 00

Item agreed to.

Matane—in full and final settlement of the claim of H. Dussault & Co. in connection with their contract for dredging in 1923-1924, $19,025.60.

Mr. GARDINER: Would the minister explain this item?

Mr. ROBB: This amount of $19,025.60 is required to pay Horace Dussault & Company in settlement of their claim for extra compensation due to the difficult and unforeseen nature of materials encountered when dredging under their contract in 1923-1924. The company's claim was for $33,000, but the district engineer has recommended a payment of $19,025.60. The company have not yet accepted that, but we are putting that amount in the estimates, and we will pay it to them subject to their giving the government a clearance in full settlement of their claim.

Mr. GARDINER: Is there any provision in contracts of this character that where the company comes up against unforeseen difficult conditions, they shall be paid a higher rate than set out in the contract?

Mr. ROBB: It is purely a matter of equity in dealing with these government contracts. I am sure if my hon. friend had a contractor doing work for him, and he considered the contractor had a fair claim, he would deal with him equitably.

Mr. GARDINER: Then there is no provision made in a contract of this description in case difficult conditions are met with?

Mr. DUNNING: It often turns out that the physical conditions are different from what was expected when the contract was let. That is the chief trouble in my department. The borings disclose certain physical conditions, but when the work is started the actual conditions are found to be different. That is usually the basis of claims of this sort. They are very difficult to adjust, and considerations of equity must rule.

Item agreed to.

Ontario — Bracebridge — breakwater repairs..	$ 1,500
Cobourg—harbour improvements.. ..	14,200
Collingwood—dredging..	2,500
Grand Bend—repairs to pier..	2,500
Kagawong—wharf repairs and extension..	2,500
Kenora—wharf..	9,000

Ontario—*Concluded*	
Kingsville—repairs to piers	4,000
Leamington—repairs to pier	1,100
Lion's Head—dredging	13,000
L'Orignal—contribution towards completion of shore protection	668
Maidens Creek—wharf	2,200
Midland—wharf and dredging—further amount required	10,000
Morinus—wharf replacement	2,000
Muskoka Narrows—guide pier	5,000
New Liskeard—wharf repairs	1,300
Pike Creek—wharf repairs	1,000
Point Edward—dredging—revote	30,000
Port Burwell—harbour improvements	55,000
Port Elgin—repairs to harbour works	4,000
Port Hope—dredging	14,500
Port Stanley—harbour improvements and repairs—further amount required	6,000
Rondeau—repairs to piers—further amount required	1,600
Sault Ste. Marie—harbour improvements	50,000
Wabigoon—wharf	1,200

Mr. GOTT: What is the nature of the work involving an expenditure of $4,000 at Kingsville, and of $1,100 at Leamington?

Mr. DUNNING: At Kingsville: to repair decking and stringers on the east pier, 10,000 feet board measure, and to place 24 feet of sheet piling on a length of 200 feet of the west pier. At Leamington: repairs to decking, stringers and caps, involving replacing 8,000 feet board measure timber and the renewing of the sheet piling.

Mr. GOTT: Is there any dredging in connection with that?

Mr. DUNNING: No.

Mr. GOTT: How is the dredging done, by contract or by the government?

Mr. DUNNING: Whichever is most advantageous for the work in hand.

Mr. GOTT: How is it generally done?

Mr. DUNNING: Everywhere according to the circumstances.

Mr. GOTT: Have you any record of how the last contract was done there?

Mr. DUNNING: We cannot remember.

Item agreed to.

British Columbia—Anderson bay—float	$ 2,600
Buckley bay—landing	1,000
Cowans cove—wharf repairs and improvements	1,500
East Arrow park—wharf repairs	1,800
False creek—dredging—further amount required	500
Fraser river—improvements—further amount required	100,000
Fraser river—protection work at Rosedale, the provincial government to contribute a like amount	3,000
Half Moon bay—wharf improvements and repairs	2,300
Horse Shoe bay—wharf	9,000
Osland park—removal of boulders	1,000
Penticton—reconstruction of wharf	100
Phipps Point, Hornby island—extension to landing	1,200
Port Alberni—extension to float	2,500
Port Neville—float	3,000
Powell River—wharf improvements	10,000
Prince Rupert—floats	15,000
Quathiaski Cove—float	1,150
Roberts Creek—wharf extension and repairs	9,500
Snug Cove (Bowen island)—wharf extension	2,400
Sointula—wharf repairs	1,600
Stewart—contribution to provincial government towards surfacing Stewart-Hyder road	11,100
Stewart—wharf addition	43,000
Summerland—wharf repairs	40
Tow Hill (Hi-Ellen river)—wharf	3,200
Vancouver, Stanley park—foreshore protection	8,000
Victoria harbour—dredging	59,200
West Bay—Gambier island—float replacement	1,500

Mr. COOTE: Where is the $100,000 to be expended on the Fraser river?

Mr. ROBB: On the Fraser river.

Mr. COOTE: The Fraser river is possibly 1,000 miles long. Possibly the minister can tell us on what part of the river the money is to be expended.

Mr. DUNNING: From New Westminster to the mouth of the river.

Mr. COOTE: Does the government intend to dredge the Fraser river to a sufficient depth so that New Westminster may safely be used as a grain port?

Mr. DUNNING: That is the intention.

Mr. LADNER: Does that apply equally to the north arm of the Fraser river where a large proportion of the shipping is done?

Mr. DUNNING: Just the main river at present.

Item agreed to.

Miscellaneous—maintenance and operation of water storage dams on Ottawa river and tributaries, surveys in connection therewith, and settlement of land damages—further amount required	$57,000
National monument on Connaught place—further amount required	25,000
Compassionate allowance to Phidolin Synott father of Maxime Synott who was drowned while on duty at Summerside, P.E.I., on September 30, 1924	2,500
	$84,500

Mr. GARDINER: Will the minister explain the item of $57,000?

Mr. ROBB: That is for the maintenance of the storage dams on the Ottawa river to maintain the level of the waters during dry seasons.

Mr. GUTHRIE: Can the minister give us some information in regard to the next item of $25,000, further amount required for the national monument on Connaught Place: when the work will be started, when it is estimated it may be completed, and how much it will cost?

Mr. DUNNING: The contract was let as a result of a world competition. The winner is now engaged on the monument in his studio at Farnborough, just out of London. The total cost will be in the neighbourhood of $100,000. I am informed that it will take three years to complete the work.

Mr. GUTHRIE: When will the work of erection be started in Ottawa?

Mr. MACKENZIE KING: I might say to my hon. friend that I had occasion to speak with the architect and the sculptor. The work is being executed by a family of the name of March whose members, five in number I think, have won many prizes in art competitions. They intimate that it will take three years before this monument can be completed, and that no work on Connaught Place can be done until the monument is ready to be put in place. In the meantime progress estimates have to be passed. Last summer the architects informed the government that the original sketch of the monument contemplated the figures being life size, but as it was to be placed in the open air they very strongly advised that the figures should be made heroic size instead. To do that meant a very considerable increase in the original cost but the government felt, after taking advice from expert sources, that it would be well to have the figures made heroic size, and that we could count on parliament voting the additional amount required to have the monument all that could be desired. This will probably occasion more in the way of cost and will perhaps take longer in execution.

Item agreed to.

To cover unprovided items, 1924-25, as per Auditor General's report, part A, page 2, 1924-25, $1,995,649.79.

Mr. ROBB: Before six o'clock I was pointing out to my hon. friend (Mr. Stevens) that this is the usual item that comes up every year. I have a memorandum of the vote each year covering a period of years. This year the items included—I will not give the odd figures—are: Customs and excise, $273,000; pensions $716,000; post office $716,000; soldiers' civil re-establishment $234,000. In the following years the following amounts were voted as "unprovided items":

1918-19	$1,071,403.34
1919-20	1,250,303.73
1920-21	544,009.25
1921-22	2,055,030.86
1922-23	368,783.39
1923-24	130,442.08

Mr. GUTHRIE: Why are these amounts not put in the main estimates or in the supplementary estimates? I confess I do not quite understand the system, although evidently it has prevailed for some time. Why should these different amounts be required each year to balance accounts?

Mr. ROBB: I am not quite sure that I am right about this, but I understand that they have drawn upon vote No. 1 to pay for vote No. 3, and so forth, and this is to legalize the procedure. There are overdrafts on the different departments.

Mr. GUTHRIE: In other words, they spend more money than parliament authorizes.

Mr. ROBB: Under a certain vote, but the total vote is there.

Mr. GUTHRIE: We are voting a lump sum to balance the account and that represents an amount of money not voted by parliament but which has been spent.

Mr. ROBB: I do not understand it that way, but I shall have that point carefully looked into.

Mr. GUTHRIE: It is a matter of curiosity on my part, but it is a matter of consequence. We are asked to vote $1,995,000 odd which is not voted in the main estimates or in the supplementary estimates; it is money which has not been voted by parliament. Is not that correct? We are now asked to ratify the expenditure by voting it.

Sir EUGENE FISET: No, we are simply using a balance in respect of certain items to meet overdrafts in respect of others.

Mr. GUTHRIE: It does not seem to me that we are using a balance; we are authorizing an additional expenditure.

Sir EUGENE FISET. This practice was followed during your regime.

Mr. GUTHRIE: I have said that it has prevailed a long time.

Mr. ROBB: There is no new expenditure involved; we are merely asking for parliamentary sanction for an overdraft.

Mr. GUTHRIE: That is for an over-expenditure.

Item agreed to.

Resolutions reported.

WAYS AND MEANS

SUPPLY BILL

Hon. J. A. ROBB (Minister of Finance), moved that the House go into committee of ways and means.

Motion agreed to and the House went into committee, Mr. Johnston in the chair.

Mr. ROBB moved:

Resolved that towards making good the supply granted to His Majesty on account of certain expenses of the public service for the fiscal year ending 31st March, 1926, the sum of $2,727,376.35 be granted out of the consolidated revenue fund of Canada.

Motion agreed to.

Mr. ROBB moved:

Resolved that towards making good the supply granted to His Majesty on account of certain expenses of the public service for the fiscal year ending 31st March, 1927, the sum of $7,057,741.85 be granted out of the consolidated revenue fund of Canada.

Motion agreed to.

Resolutions reported and concurred in. Mr. Robb thereupon moved for leave to introduce Bill No. 46, for granting to His Majesty certain sums of money for the public service for the fiscal years ending respectively March 31, 1926, and March 31, 1927.

Motion agreed to and bill read the first and second time, considered in committee, reported, read the third time and passed.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

RURAL POSTMASTERS—LOSS OF REVENUE

Mr. NEILL:

1. Has the government obtained any data showing the loss of revenue at rural post offices due to the reduction of postage on letters from three cents to two cents, and if so, will such data be laid on the table of the House?

2. Will the government give favourable consideration to an increase of the percentage allowance to rural postmasters to replace the loss of revenue to them caused by the reduction in postal rates, and will consideration be given to the fact that the commission to rural postmasters has not been increased to meet the higher cost of living since 1914?

Hon. Mr. VENIOT:

1. Yes, but incomplete until close of complete year from 1st July, 1926.

2. The matter is receiving consideration from both points of view.

SPRAY LAKES WATER POWER

Hon. Mr. STEVENS:

1. What steps, if any, have been taken by the government to deal with the Spray lakes power site in the Banff national park since the subject was last discussed in parliament?

2. Before any such rights are granted within any national park, will the minister submit the whole subject to parliament for discussion and consideration?

3. Has an editorial published in the Winnipeg Free Press of November 24, 1926, and entitled "A Projected Raid on the national Parks" been brought to the attention of the government? If not, will the responsible minister of the government condescend to give consideration to the sentiments contained in the said editorial before he alienates any rights or powers within any national park?

4. Will the government introduce at this session legislation defining and limiting the power of government by order in council to alienate any rights or extend any privileges within national parks?

Hon. Mr. STEWART: The government has been giving serious consideration to the many and varied representations made concerning the application to develop water power storage at Spray lakes in Rocky Mountains Park, and will introduce at the present session an amendment to the Dominion Forest Reserves and Parks Act, which will enable discussion of the Spray lakes application in the House of Commons. In the meantime no decision will be made on the application.

WEST INDIES TRADE AGREEMENT—STEAMSHIP SERVICES

Mr. CAHAN:

1. What has been done towards the fulfilment of the terms of the West India agreement with respect to the West India steamship services?

2. What is the present position of the eastern and western services respectively?

3. Is the regular eastern service with Barbados, Trinidad, Demerara and the smaller islands of the eastern group now being maintained, and to what extent?

4. What difficulties, if any, prevent an immediate acceptance of tenders for carrying out the proposed improved steamship service with the eastern group?

5. Is it the intention of the government forthwith to invite new tenders for carrying out the steamship service with the western group on terms which will comply with the stipulations of the West India agreement, or otherwise?

6. Is it the intention of the government to procure modifications of the stipulations of the West India agreement regarding passenger

service, speed of steamships, or otherwise, for carrying out the proposed new steamship service with the western group?

Hon. Mr. ROBB:

1. The Canadian government has decided to entrust the fulfilment of that part of the agreement, providing for steamship services to the Canadian National Railways management. The services on both eastern and western routes will be put into operation as nearly as possible within the time stipulated in the trade agreement.

2. On the eastern route the Royal Mail Steam Packet Company are maintaining a monthly service with the steamers "Chaleur" and "Chignecto", calling at all the ports formerly called at by the subsidized service and in addition calling at the island of Nevis, both north and south bound, for which they are receiving the same subsidy as before, namely, $13,102.56 per round trip. This service will be continued until the end of the fiscal year, the last trip being made from Halifax on March 25, 1927, arriving back at St. John on May 3rd.

After the end of the present fiscal year, the temporary monthly passenger and freight service will be continued by the Canadian National Railways and will be supplemented by monthly freight sailings from Canadian Atlantic ports, thus providing fortnightly services from those ports to all islands and colonies of the eastern group. Freight sailings from St. Lawrence river ports during the season of navigation will be continued as heretofore.

On the western route the Canadian Government Merchant Marine are maintaining their usual service every three weeks, with the steamers "Canadian Fisher" and "Canadian Forester", calling at Bermuda, the Bahamas, Jamaica and British Honduras, and this service will be continued until the new service can be put into operation.

3. Answered by No. 2.

4. Answered by No. 1.

5. Answered by No. 1.

6. No.

QUESTION PASSED AS ORDER FOR RETURN

HON. C. J. DOHERTY

Mr. DENIS (St. Denis):

1. For how many years did the Hon. C. J. Doherty occupy the office of judge, and what amount was paid to him during that time?

2. Why was he placed on the pension list, and what amount has been paid to him since he was placed on said pension list?

[Mr. Cahan.]

3. What amount was paid to him as attorney in the Labrador case, of which judgment is still pending before the Privy Council?

4. What were his expenses for professional services, travelling and otherwise, in said case?

5. Are there any claims that have not been settled in connection with said case, and what do they amount to?

6. What amount was paid to him during and after the war for professional services, and travelling expenses in connection with his representation in the negotiations of the Versailles treaty?

7. What amount was paid to him as representative, and for travelling expenses at the League of Nations, at Geneva?

8. What is the total amount which was paid by the government to the Hon. C. J. Doherty, while serving the state, either as member, judge or otherwise?

UNOPPOSED MOTIONS FOR PAPERS

SUPERANNUATION AND RETIREMENT FUND

Mr. CHEVRIER:

1. The number of contributors to superannuation fund No. 1 as of date 1st December, 1926.

2. The number of contributors to superannuation fund No. 2 as of date 1st December, 1926.

3. The number of contributors to superannuation fund No. 5 as of date 1st December, 1926.

4. The number of contributors to the retirement fund as of date 1st December, 1926.

5. The number of former contributors to superannuation fund No. 1 who are now contributing to fund No. 5.

6. The number of former contributors to superannuation fund No. 2 who are now contributing to fund No. 5.

7. The number of former contributors to retirement fund who are now contributing to fund No. 5.

8. The amount standing to the credit of superannuation fund No. 2 as of date 1st December, 1926.

9. The amount standing to the credit of superannuation fund No. 5 as of date 1st December, 1926.

10. The amount standing to the credit of the retirement fund as of date 1st December, 1926.

11. The amount voted by parliament as contribution to fund No. 2 for fiscal year ending 31st March, 1926.

12. The amount voted by parliament as contribution to superannuation fund No. 2 for fiscal year ending 31st March, 1927.

13. The amount voted by parliament as contribution to superannuation fund No. 5 since that fund was established.

14. The total disbursements on account of gratuities from superannuation fund No. 5 for the year ending 31st March, 1926.

15. The total disbursements on account of gratuities from superannuation fund No. 5 for period from 31st March, 1926, to 1st December, 1926.

16. The total disbursements on account of annuities from superannuation fund No. 5 for the year ending 31st March, 1926.

17. The total disbursements on account of annuities from superannuation fund No. 5 for the period from the 31st March, 1926, to 1st December, 1926.

18. The total disbursements on account of superannuation fund No. 1 for the year ending 31st March, 1926.
19. The total disbursements from superannuation fund No. 2 for the year ending 31st March, 1926.

WATER POWER LICENSES

Mr. GEARY:

1. All water-power licenses now in force and issued by the Department of Railways and Canals, the statement to show in each case location of site, the amount of power leased and the rental both at present and at time of issue; also the date of each original lease and to whom the same was issued; transfers of same and the name of the present holder.
2. All water-power licenses issued by the Department of Railways and Canals which have been cancelled or otherwise lost effect.

Mr. GUTHRIE: Perhaps I am at fault, Mr. Speaker, but I intimated to one or two hon. members on this side of the House that notices of motion would not be taken up to-night, and they have now left the chamber. Since we have finished with the estimates, I would suggest that we adjourn.

On motion of Mr. Mackenzie King the House adjourned at 10.28 p.m.

Wednesday, February 9, 1927

The House met at three o'clock.

NATURAL RESOURCES—PRAIRIE PROVINCES

PETITION PRESENTED BY HON. MR. EDWARDS

Hon. J. W. EDWARDS (Frontenac-Addington): I have the honour to present a petition, addressed to the Prime Minister, the cabinet and members of the House of Commons, earnestly requesting that their natural resources be transferred to the prairie provinces at the earliest possible moment, without restrictions or limitations of the said provinces as to the complete control of their educational or other local affairs. The petition is signed by fifty electors of Chatsworth, Ontario; by fifty-seven electors of Lambton county, Ontario; by twenty-one electors of Kamloops, British Columbia; by fifty-two electors of Walkerton, Ontario; and by sixty-two electors of Yarmouth, Nova Scotia.

ESTIMATES FOR 1926-27

A message from His Excellency the Governor General, transmitting estimates for the year ending March 31, 1927, was presented by Hon. J. A. Robb (Minister of Finance), read by Mr. Speaker to the House, and referred to the committee of supply.

BUSINESS OF THE HOUSE

WEDNESDAY SITTINGS

Right Hon. W. L. MACKENZIE KING (Prime Minister): With respect to the motion I made yesterday regarding Wednesday sittings, I understand that the leader of the opposition (Mr. Guthrie) is agreeable to having it presented again to-day in the form it was intended to be put:

That on Wednesday, the 16th instant, and every subsequent Wednesday until the end of the session, the House shall meet at three o'clock in the afternoon.

Motion agreed to.

POST OFFICE ACT AMENDMENT

Mr. T. L. CHURCH (Toronto Northwest) moved for leave to introduce Bill No. 47, to amend the Post Office Act (newspaper ownership).

He said: Mr. Speaker, the object of this amendment is to provide for a uniform law for newspapers in regard to the use of the mails, similar to those acts in the mother country, Australia and the United States. The proposed bill requires sworn semi-annual statements from all newspapers, magazines, trade journals and other periodicals which contain articles designed to influence public opinion, giving the names and addresses of editors, owners and stockholders. There is a proviso that this act shall not apply to religious, fraternal, temperance, scientific, or other such publications, and the names of the small stockholders are not required to be given. A copy of these sworn statements must be published in such newspapers or other publications, and paid editorials and other reading matter for which money is paid must be plainly marked "advertisement". Failing this, such publications shall be denied the use of the mails.

Motion agreed to and bill read the first time.

RAILWAL ACT AMENDMENT

Mr. T. L. CHURCH (Toronto Northwest) moved for leave to introduce Bill No. 48, to amend The Railway Act, 1919 (special rates on coal).

He said: The object of this bill is to assist the establishment of a national coal supply for Canada and to provide a remedy for the provinces supplying the coal market—that is, the maritimes and Alberta. At present grain and flour are carried on a special preferential basis, and since coal is almost as necessary as flour and grain, it should be carried on the same basis. The bill seeks to establish a national coal policy for Canada. This country

owns the railways and the merchant marine; in the coal question the matter of transportation plays a very large part, and the object of this bill is to place the carrying of coal on a preferential basis with grain and flour.

Motion agreed to and bill read the first time.

BUSINESS OF THE HOUSE

SENATE BILLS PROCEDURE

Mr. SPEAKER: I have not called the first reading of Senate bills because on December 15 the examiner of petitions for private bills made a special report on most of these bills, and on the remainder to-day, to the effect that while the rule regarding publication of notice had been fully complied with last year, no notice has been published in reference to any of them this year.

Under the provisions of rule 96, subsection 2, the petitions and the above mentioned report stand automatically referred to the committee on standing orders for a recommendation as to the action the House should take; under the circumstances these bills should not be proceeded with until the report of the committee has been received. I have no doubt that the committee will report that these bills be favourably taken into consideration by the House, but we must follow the rules.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

SALES TAX ARREARS

Mr. HOCKEN:

1. How many firms in the Dominion were in default in payment of the sales tax on December 1, 1926?
2. What is the number so in default in each province?

Hon. Mr. EULER:

Province	Active	Inactive	Total
Nova Scotia	23	55 (18)	78
Prince Edward Island	1	9 (6)	10
New Brunswick	9	16 (4)	25
Quebec	280	690 (208)	970
Ontario	149	770 (240)	919
Manitoba	21	99 (32)	120
Saskatchewan	12	16 (14)	28
Alberta	11	59 (9)	70
British Columbia	18	175 (35)	193
Totals	524	1889 (566)	2413

Note—

Active arrears represent those firms in default being followed up by the collectors.

Inactive arrears represent firms in default being followed up by the department at Ottawa, the figures enclosed in brackets representing the number in litigation.

[Mr. Church.]

TAXATION IN CANADA

DUPLICATION AND DEMAND FOR REDUCTION

Mr. T. L. CHURCH (Toronto Northwest) moved:

Whereas it was deemed necessary and expedient to impose an income tax by the parliament of Canada as a revenue measure growing out of the war and to temporarily invade the former exclusive field of the municipalities to collect this form of taxation.

And whereas such taxation has led to duplication and there is an urgent demand for further reduction of taxation and to restore to the municipalities their former exclusive rights and prerogatives to this form of taxation. Therefore this House will support the government in any immediate measures it may take to give effect to the principles of this resolution or to reduce taxation generally, including income tax, sales tax, stamp revenue postage and other forms of what are called nuisance taxes.

He said: I am introducing this resolution at the request of some of the municipalities who are complaining about the duplicate income taxes. A resolution very similar to this was introduced last session, and the minister asked that it be withdrawn after several hours of debate, with the understanding that some form of reduced taxation would be brought down in the budget, which was done.

Until 1917 the municipalities always had the exclusive right to impose income tax; rightly or wrongly, that field belonged to them, and there were reasons for that. Under the British North America Act the federal government has very extensive powers of taxation, in fact their powers are almost unlimited. This was necessarily so, because by that act matters of general import were referred to the parliament of Canada, such as trade and commerce, railways, banks and banking and so on, and in these fields this parliament was supreme. The war broke out and it was thought necessary to levy different forms of taxation and some new innovations were brought in. So in 1917 the federal government invaded the field of the municipalities and provinces and imposed an income tax which affected a large number of people throughout the country. The imposition of that taxation at the time was justified, probably, in view of the very heavy burdens resulting from the war. Owing to the dislocation of business, the disturbance of the industrial equilibrium and the resultant disturbance in the industrial and financial worlds, and to many other factors that entered into the situation, it was found that more money was needed to carry on the affairs of the country, and so recourse was had to this method of taxation.

May I say that the question of taxation is one of the most important that we have to consider. It is discussed wherever business men meet in public and in private, it is discussed by boards of trade, chambers of commerce, business men's associations, and other organizations. The three greatest problems in this country that await solution are those of taxation, immigration and the taking care of the deficits on the national railway. It was intimated some time ago by the present Minister of Finance (Mr. Robb) that in view of the double-headed taxation and the pyramiding of taxation that has been in operation in this country ever since 1917 a conference would be called on the subject of taxation between the Dominion and the provinces and their allies, the municipalities. A conference took place, I think the year before last, and resolutions were passed having for their object the remedying of the existing situation. But nothing practical has resulted from that conference, and we find the municipalities still debarred from using sources of revenue which should rightfully be theirs. In addition the federal parliament charter certain federal companies which have powers of taxation in a municipality; such as the Bell Telephone Company, and express and railway corporations.

In addition to the other heavy general burdens imposed upon the municipalities they are saddled with the responsibility for caring for the unemployed. Although the federal government makes laws regulating trade and commerce, immigration, and the banking system of the country, it takes the stand that it is not responsible for unemployment or its relief and passes that burden on to the provinces, which in turn thrust it upon the municipalities, although the last named have enough to do already in maintaining hospitals and other institutions for the care of the sick, the infirm and the aged and other municipal institutions.

The amount required to run the country annually is in the neighborhood of $346,000,000 and the revenue for this purpose is derived from customs and excise taxation, income and sales taxes, and other impositions. The time has come when, notwithstanding the admittedly heavy burden carried by the Dominion, some relief should be afforded the provinces and the municipalities. In providing this relief regard should doubtless be paid to the action which has been taken in New Zealand, United States and Great Britain. But in doing so the ability of the people to pay must not be lost sight of. Take for example the case of Great Britain. The mother country is paying no less a sum than $500,000 a day, amounting in the aggregate to billions of dollars, in repayment of its reparations debt to the United States. Therefore I say do not forget the ability of the people of Great Britain to pay, bearing in mind the enormous burden of debt they are carrying and the sacrifices they have made in the interests of civilization. So when we consider the position of the people of England and Canada in regard to income tax, when we compare the amount of income tax which they pay with the amount paid in this country, we must not forget those facts. As to taxation in the United States we must remember that it is the most highly protected country in the world, and that the republic to the south emerged from the Great war in a much better position financially than any other country.

In considering the double-headed form of taxation let me remind the House of the income tax form sent out in Ontario by the municipalities which must be filled in by business men on February 14—and in a few weeks the federal forms will be required. So complicated in character is this form that it would take a Philadelphia lawyer to fill it out properly. When the needs of the municipal law have been met in this respect the business man is confronted with the federal income tax form and the same procedure has to be gone through again, and so we have duplication of income tax and pyramiding of taxation all along the line. The present federal income tax form is of so complicated a character, there are so many provisos and so many exceptions, that an expert lawyer would have difficulty in filling it out correctly.

I repeat, that the time has come for the Dominion to allow the municipalities to occupy this field of taxation again to themselves, and I may say in this connection that the amount of federal revenue derived from income tax is diminishing year by year. It is now 52 millions a year.

There is no doubt as to who pays this and other taxes, it is the consumer. An undue share of this federal income tax comes out of the pockets of what I may call the working class. In the case of a man with a fixed salary no evasion of payment is possible; the collector can walk into his office and find without any difficulty the exact amount of salary which he receives. I am familiar with the case of a jobber in Toronto who, although his transactions are on a large scale, pays no income tax. What he did at the

end of each year was to represent his earnings as a bonus or something like that, and so he escaped income taxation altogether. So complicated is the income tax law and the method of assessment that it is difficult to find out the details by thousands of who pays this tax.

As regards the city of Toronto there is not the same difficulty; it is possible to get from the assessment department details respecting the income tax in operation there. The assessment department of the city of Toronto have tables showing the number of incomes from $50,000 a year all along the line down to $1,000, and these tables reveal the fact that 80 per cent of the income tax is borne by the small man with an income under $5,000. In Toronto there were 76 incomes amounting to $50,000 assessed last year and 29,781 incomes under $5,000. From this it will be seen that the main portion of the income tax collected comes out of the small wage earner.

Last year the federal government relieved their burden a little by increasing the exemption to $3,000 in certain cases. This year the provincial government of Ontario has taken a leaf out of the pocketbook of the federal government and decided to do something along that line. In the Ontario speech from the throne it has been announced that the exemption is to be increased to $3,000. While in the case of the federal tax the exemption of $3,000 and the deductions applied to all classes of income, earned or unearned, the proposal in Ontario applies only to personal earnings and gratuities.

If we take into account the different forms of taxation we find that an amount of $346,000,000 is being collected by the federal government under eleven different forms of taxation imposed by this parliament, as follows:

1. Customs tariff.
2. Excise taxes on various commodities such as automobiles, matches, cigars, wines, beverages, and so forth.
3. Income tax.
4. Tax on sales.
5. Tax on licenses.
6. Taxation on corporations and companies.

Of which there has been so much discussion pro and con.

7. Tax on cables and telegrams.
8. Railway and boat tax.
9. Stamp tax on cheques, drafts, bills of exchange, notes, and stock transfers.
10. Stamp tax on money orders, letters and postcards.
11. Stamp tax on receipts.

[Mr. Church.]

From these eleven different forms of taxation imposed by this parliament last year there was collected about $346,000,000 which was used to operate the country for twelve months.

I contend that the present form of income taxation is inequitable, unfair and unjust, and the duplications and inequalities of these different forms of taxation proposed by the various legislatures are making the people dissatisfied. It is a method of taxation which means robbing Peter to pay Paul. The poor man pays the bulk of the taxes; the millionaire escapes. I know of one case of a man who used to live in Toronto but who does not live there now. He went overseas and escaped the British tax collector by claiming that he was domiciled in Canada. When he appeared before the court of revision of Toronto, where he was said to have an income of $1,000,000 a year, he said: "I am not liable under the Canadian law because I am domiciled in the old country." In this way he escaped both tax collectors. It is on account of these inequalities in the field of taxation that I am making this protest.

At present there are more than $900,000,000 worth of war bonds outstanding which are free from taxation. Why cannot part of this be commuted and this vast capital put back into circulation and into economic and industrial development, thereby creating another source of revenue to the country? Canada is the most overgoverned country in the world and this is shown in its methods of inequitable taxation.

Public bodies all over Canada are complaining about the heavy burden of taxation which is in force to-day. At every meeting held this year of six chartered banks the boards of directors and the shareholders in their annual reports have made strong protests against this burden of taxation and have appealed for additional reduction in taxes. In 1926 the Minister of Finance (Mr. Robb) reduced the taxation of the country by $25,000,000, and we heard a good deal about this during the last election. I am not one of those who would not give the hon. gentleman some credit for this reduction which was brought about by what is known as the Robb budget. It was a good budget so far as it went, but it failed along some other economic lines to give relief to industry; notably as regards the tariff, in not preventing raw material from going to the United States and in not preventing Canada from being used as a dumping ground for cheap German and American goods. The minister however re-

duced the taxation by $25,000,000 and I give him every credit for so doing. He carried out heartily what he said he would do when a similar resolution was before the House last year, when he said he would do something to reduce taxation when his budget was brought down.

Many public men have expressed their opinion with regard to the taxation and the reduction. The other day Sir Thomas White in a speech before the Canadian Club at Montreal, referring to the drain on the country, expressed himself as follows:

> In addition to our Dominion direct debt there is the heavy outstanding indirect liability upon guarantees of issues of the railway companies now embraced in the Canadian National railway system, and for the annual deficits from that system which is owned by the Dominion.
>
> Heavy Taxation and Enterprise
>
> More serious even than this is the effect of our heavy taxation upon the spirit of enterprise in our people. The heavy super-taxes upon income deter men of initiative and constructive capability from embarking in new enterprise in which if loss is made it must be borne by themselves, while the gain accrues in such large proportions to the public treasury. The withdrawal of such large sums as are collected annually in income taxation from the capital fund available for new enterprise constitutes a serious hindrance to the launching of new undertakings by the people of Canada. The result is that our people are not participating to the extent they should in the development of Canadian industry and commerce.
>
> Problem of National Economy
>
> Connected with this problem of taxation is the problem of national economy. This must necessarily relate to controllable expenditure. Governments are blamed universally for their extravagance, but the fault partially lies back of governments and parliaments, with the people themselves.
>
> We shall get economy in all governments when the great mass of the people are so imbued with the spirit for economy that they will not support needless expenditure. You are not likely to get this condition until our public agencies, such as the press, actively take up the question and bring home to the conviction of the people the consequences of indifferences or lethargy or even hostility in the matter of public economy.

Sir Herbert Holt of the Royal Bank of Canada recently said:

> Taxation in Canada has reached the point where it is retarding the growth of national wealth, increasing the cost of production, decreasing demand—and with it profit and wages—and withdrawing money from productive use. He says the country is over-burdened with government, and the enormous expansion of the public debt is a matter of grave misgiving. Canada is over-governed and over-taxed, and the one is the natural corollary of the other. The political diseases from which we suffer have been diagnosed long ago, not only by business men but by the ordinary voter as well. Administrative extravagance and incompetence have been in the saddle too long.

Those are the opinions of one or two of a number of public men on income taxation and the necessity of reducing it further. In England they are endeavouring to do something to reduce the tax. Last year I quoted a comparative table showing the income taxation in the United States and Canada, and I need not read it again. It shows that in the United States they are reducing this form of taxation. In fact they have had four decreases in income tax in the last five years.

Mr. Winston Churchill, the British Chancellor of the Exchequer in England announced a reduction in British policy. He said:

> The main grounds of British policy have been threefold: first, to balance the budget out of revenue; secondly, to reduce the debt; and thirdly, to reduce public expenditure, and in consequence to remit taxation. We had either achieved or made progress towards all these objects. From 1920 onwards we had balanced our budgets. We had reduced our debt from the peak of which it stood in 1919 (not in nominal figures but in facts) by over £736,000,000, and we had reduced our real annual interest charge by over £70,000,000 a year. Expenditure had fallen from £1,655,000,000 in 1922 to less than half that figure now, and taxation had been reduced by over £300,000,000 a year. This year's budget alone reduced taxation by £32,000,000 in a full year. Except the United States, Holland and Switzerland, we had the lowest bank rate in the world.

The Chancellor of the Exchequer made a reduction in the British income tax. It may be that the income tax in Great Britain is higher than it is in Canada, but we must remember Great Britain's much heavier commitments per capita. The Coolidge administration at Washington last year, at midnight on the 30th of June, made the following announcement:

> After to-morrow midnight there will be no tax on a movie that costs you 50 cents or less, no tax on telephone or telegraph, candy or a variety of commodities, such as X-ray films, hunting knives, riding habits, stilettos, smoking stands, hunting garments, etc.

These nuisance taxes were wiped out altogether. A comparison would show that the income tax in the United States is much lower than the income tax in Canada. I will cite only a few figures:

Income	U.S. Tax	Canadian Tax
$ 3,000	7 50	40 00
4,000	22 50	80 00
5,000	37 50	126 00
6,000	57 50	178 00
10,000	207 00	619 00

I admit that the Minister of Finance brought in an amendment to the act last year which will slightly modify the above table, but substantially the figures are correct.

According to all the text books on political economy the principles upon which taxation should be based to be fair and just are, first of all, ability to pay; second, certainty; third, convenience; fourth, economy. According to Andrew Mellon, secretary of the United States treasury, the principles underlying his taxation of last year are, first, it must be scientific; second, the taxation must not disturb business; and third, the taxation must get the most money with the least inconvenience.

There is a great deal of dissatisfaction in this country over the numerous methods of taxation that are now being collected, and which are passed on to the consumer. In addition, there are many people in this country who are escaping altogether payment of the income tax. The Minister of Finance did announce a general reduction of taxes of some $25,000,000. That was his estimate without the reduction made later on motor cars, and without regard to the amended import duties on the materials that enter into motor cars, which in my opinion, if taken into account, would very materially increase that $25,000,000. I admit that the minister was entitled to some credit for that reduction, although his reduction, did not go one-third far enough. Further reductions might have been made in the sales and stamp tax: the income exemption might have been increased further for the small wage earning class; the sales tax might have been eliminated altogether, and the tax, if possible, taken off clothing. Next to the food on the breakfast table, the most important item of expenditure for the working classes is rent, and then clothing; in some cases, clothing comes second and rent third. There is a direct tax on almost every article of clothing the working man wears, and it is a very big sales tax. The government is taking $10,000,000 in taxes out of the working class in this country by way of sales tax on clothing, and that tax is passed on to the consumer, because in the clothing industry it is not the wholesaler, not the retailer, who pays the tax, but the man who wears the suit of clothes. I am glad to hear the minister has given some intimation recently that there may be a reduction along this line this year. Of course, the finance minister, in his annual estimate of revenues, has to consider how much revenue will be necessary to administer the affairs of this country. He has to consider if there will be a crop failure, and economic conditions generally—the economic requirements of the country. But I believe that the enlarged purchasing power of the agriculturists, resulting from several successive good crops, has had a decidedly stimulating effect on domestic trade. You will also notice, Mr. Speaker, that during the last eight months the customs revenue has been going up. In the city of Toronto the customs revenue is now over $60,000,000 a year.

Many representations have been made to the government regarding reduced taxation along several lines, notably as to:

1. The sales tax.
2. The corporation income tax.
3. The personal income tax.
4. The various stamp taxes.

These four nuisance taxes have been a drag on business, both wholesale and retail, and generally on business; I refer to the stamp taxes on drafts, bills of exchange and many other forms of negotiable paper. This is a form of nuisance tax as to which I hope we may hear an announcement in a few days to the effect that we are to be given partial if not entire relief.

There is a great deal of discrimination also in our taxation, as is shown by the different resolutions which have been presented to the minister asking for relief. Considerable objection is taken to the income tax on corporations. Although the present administration have closed their minds against any upward revision of the tariff, I believe that the tariff laws of this country have a most direct bearing on taxation. In the United States, there is an average 35 per cent protective tariff for the protection of their own industries. Our tariff in Canada averages only from 20 to 24 per cent. If our tariff was increased up to the United States level we could eliminate the sales tax, the income tax, and all these nuisance and other taxes, by reason of the increased revenues from import business we should do in this country. Take, for instance, the toy industry in Canada to-day. There is an industry that has been destroyed owing to the failure to have a dumping clause to protect our factories from importation from various countries where the labour conditions and rate of wages are on a very much lower level than here. We are importing cheap, shoddy, German toys, owing to the failure of the government of Canada to protect the employers of labour in Canada. The toy industry should be a native industry in this country, because we possess thirty-six basic materials that enter into the making of toys. Instead of that, however, we are buying all our

toys from Germany. On the sixth floor of Eaton's in Toronto at Christmas time you will find the whole floor filled with cheap, shoddy German and American toys, which are sold even to the soldiers who fought in the Great war, and to the workingmen of this country, many of whom are out of work. In Germany the manufacturer has the advantage of depreciated currency, longer hours of labour, easier labour laws, and in addition he pays no income or sales tax to Canada and shares a home market here with our Canadian manufacturer, who has to pay here sales tax, income tax and other taxes, while his foreign competitor pays none. I contend that it is unfair, unjust and inequitable. It is a burden on the industries of the country—on the employers and the employees alike. In addition to that, it is a bad advertisement for Canada. The sales tax, as well as the income tax, was imposed during the war. There were some good points about it. It was imposed when the country was dislocated by the war owing to the industrial conditions produced by that war. But to-day, with the expansion of business by the amendments to the tariff, I believe the sales tax should be abolished altogether, because the economic tariff amendments which I suggested would have the direct result of giving the country two or three times the amount which we now obtain from the sales tax. The revenue from the sales tax was as follows:

1920-1921	$ 38,131,448 20
1921-1922	61,518,751 13
1922-1923	91,262,254 13
1923-1924	100,990,076 80
1924-1925	66,707,369 96

The income tax has dropped down, as I stated before, to about $54,000,000, and from the sales tax and the customs tariff the government obtained in the following years the amounts stated below:

1918-1919	$158,046,333 87
1919-1920	187,524,181 77
1920-1921	179,667,683 12
1921-1922	121,487,393 90
1922-1923	133,803,370 12
1923-1924	135,122,344 76
1924-1925	120,222,453 70

The late administration imposed a certain sales tax, the present government increased it. I hope this government will remove the sales tax burden from the industries of the country and seek other forms of new taxation. For instance, let them impose an export tax on raw materials sent to the United States. Here we have a zinc company incorporated north of Sudbury by Americans and this zinc limit is so valuable it is worth millions to the concessionaires. This was only one company and there are others. The American millionaire has found Canada a happy hunting ground. The International Nickel Company have a gold mine. Then we have copper, platinum, lead, coal, and many other minerals which are exported in a crude and semi-crude condition out of Canada. Take the zinc company incorporated the other day with a lot of Americans at their head. They will make a fortune. A new taxation plan will take care of all this and a just and equitable federal tax imposed. The result now is that Canada is making millionaires out of a lot of Americans at the expense of the people of Canada. There should be an export tax on all these raw materials and conservation of our resources. If Premier Bruce of Australia were in Canada he would take care of our resources in this respect; he is one of the greatest imperial statesmen we have, a radical who preserves the resources of his country for the people and for posterity. Notwithstanding what the Prime Minister (Mr. Mackenzie King) stated the other day in Toronto, Mr. Bruce got the ear of the country on inter-imperial problems and inter-dominion economics and trade. Mr. Bruce showed Canada the way to inter-imperial trade, and showed the people of Canada the economic troubles this country is suffering from and the necessity of preferential trade within the empire if the empire is to last. How would Mr. Bruce deal with our economic problems if he were premier of Canada? Would he allow Canada to become a happy hunting ground for Americans to grab our resources and escape taxation? Would he permit them to seize our resources with all our raw material and take them to the United States and impose no taxation whatever? Would he permit the exportation of our raw materials and resources to the United States without any export tax? If Stanley Bruce were prime minister of this country he would see that the raw materials sent out of the country were taxed and he would lay down an economic policy, both federal and provincial, to develop Canada and its resources. Under the policy of the present government they cannot remove the burden of taxation from the working classes and place it on the American millionaires. Hence Canada is the happy hunting-ground for Americans in this respect.

I believe the Doherty Act should be repealed, in view of the Ontario recent vote, and the tax of $10 a gallon on liquor and spirits should be removed, if not reduced. It is not a luxury for the working classes to have a

glass of beer. This form of taxation, $10 per gallon, should be substantially reduced. In view of the provinces now engaging in this business and having a system of public ownership of the liquor traffic for the benefit of the people, a large revenue will be derived by Ontario from the trade. If the Doherty Act were repealed and a reduction of the $10 a gallon tax, business would be increased and taxation benefited otherwise.

The sales tax was originally a war tax and should be removed as soon as the finances of the country will permit. The sales tax on clothing for men and women should be reduced. The tax cannot be collected equitably on such articles. The tax on food for the working classes should be reduced and relief provided. When we see this sales tax imposed on the clothing used by every working man in the country, I think the time has come to call a halt.

Last session I moved for a return, sessional paper No. 247—and the return was brought down on the 28th June—as follows:

Return to an order of the House of Commons, dated the 15th of March, 1926, for a return showing,—

1. Total revenue of the government from all sources for the last year of record.

2. What portion of this cash revenue is contributed by each one of the nine provinces, and the respective amounts from each province.

The Department of Customs and Excise brought down the following return, totalling $309,000,000:

Import duty	$120,220,826 13
Excise taxes	89,330,987 59
Excise duties	39,013,179 96
Sundry collections	1,194,104 55
Income tax	56,248,042 82
Business profits tax	2,704,427 37
Special war revenue, part 1, section 4	315,314 88
Total	$309,026,883 30

Looking over the return I observe that the province of Ontario pays about 44 per cent of the taxes of the country. Ontario is an industrial province, and the working classes are asking for some relief from the burden of taxation which I have referred to. I have a table here showing details which I will ask to put on Hansard. It reads:

STATEMENT OF REVENUES COLLECTED BY DEPARTMENTS OF CUSTOMS-EXCISE DURING FISCAL YEAR 1924-25

——	Import Duty	Excise Taxes	Excise Duties	Sundry Collections
	$ cts.	$ cts.	$ cts.	$ cts.
Nova Scotia	2,646,110 74	1,477,172 73	34,350 02	29,790 09
Prince Edward Island	136,562 45	84,095 34	39,293 93	965 42
New Brunswick	4,349,055 67	1,289,113 70	220,222 69	27,743 87
Quebec	32,737,499 64	31,263,269 26	28,178,499 97	289,864 48
Ontario	56,164,009 65	42,439,224 75	8,397,527 75	276,297 67
Manitoba	6,854,637 41	4,233,475 33	869,537 43	41,183 35
Saskatchewan	1,249,606 05	920,838 16	49,702 14	16,908 34
Alberta	2,593,999 44	1,993,582 68	591,438 26	10,690 38
British Columbia	13,387,030 58	5,292,333 24	632,607 77	60,800 31
Yukon Territory	95,516 12	24,621 08	.....	2,211 65
Department	6,798 38	313,261 32	.....	437,648 99

——	Income Tax	Business Profits	Special War Revenue Act Part 1, Section 4	Total
	$ cts.	$ cts.	$ cts.	$ cts.
Nova Scotia	809,689 36	28,334 55	7,222 75	5,032,670 24
Prince Edward Island	37,835 78	.....	.....	298,752 92
New Brunswick	754,373 89	24,516 71	66 18	6,665,092 71
Quebec	19,679,008 30	695,062 06	103,267 82	112,946,471 53
Ontario	25,531,533 50	1,526,345 12	143,136 97	134,478,075 41
Manitoba	3,477,069 32	137,020 52	48,547 68	15,661,471 04
Saskatchewan	872,028 03	51,812 93	1,773 05	3,162,668 70
Alberta	1,163,911 16	48,366 00	3,354 11	6,405,342 03
British Columbia	3,855,447 21	192,969 48	7,946 32	23,429,134 91
Yukon Territory	67,146 27	.....	.....	189,495 12
Department	.....	.....	.....	757,708 69
Total	.....	.....	.....	309,026,883 30

The same proportion appears in regard to other public departments, such as Finance and Insurance; the percentage is about the same. Of the revenues collected by the Department of Marine and Fisheries the province of Ontario pays $147,000 of a total of $422,000 under the head of Marine; while in the Post Office Department Ontario contributes over $11,000,000 to a total of $28,000,000, compared to $5,000,000 odd paid by the province of Quebec. In other words the province of Ontario, in this department alone, pays more than twice as much as the province of Quebec, by a million dollars odd. The percentages are, Ontario, 40 per cent, Quebec, 18 per cent, Manitoba 11 per cent, and so forth.

I do not wish to detain the House any longer, but before concluding I must pay a tribute to the fair way in which the minister has viewed this matter.

We discussed a similar resolution last year and he said he would see what could be done favouring the principle of reduction and promised that he would look into the representations made to him. He has been favourable and has been willing to meet any deputation that has waited upon him regarding taxation. After all, taxation ultimately comes out of the consumer and I would urge the minister to look very carefully into this whole subject. He has had a good many experts engaged on this work and the time has come for him to tell the House and the country what he is prepared to do. I do not ask him to give all his plans away, but I cannot too strongly impress on the minister the claim of the municipalities, on whom the burden of taxation is falling more and more, and who are looking anxiously for relief from duplicate income tax.

Something ought to be done to relieve the employers of the country and at the same time the working man from these heavy taxes. Our manufacturers have to meet competition from the various countries of the world and they should be given more relief and consideration. There should be some new method of collecting taxes from American millionaires who have grabbed off the resources of the country—from the mines, the forests, and the sea. Large quantities of our raw products are being exported, very largely to the United States, and the time has come for us to impose various forms of export taxes on our raw materials. Certainly something should be done to relieve the middle classes of the burden of the present heavy taxation, and I commend this resolution to the attention of the minister.

Hon. J. A. ROBB (Minister of Finance): There is no more genial member of the House than my hon. friend who has just concluded (Mr. Church). He is able to argue either side of the question and this afternoon he has pleaded eloquently, as he always does, for a reduction of the revenue. Last week, I am told, he was a member of a delegation in Toronto that waited upon the government with a request for an increased expenditure. I think I shall have to call my hon. friend in and have a quiet talk with him. If he can give me the recipe for reducing revenues and at the same time spending money to deepen harbours and erect public buildings in the great city of Toronto he is undoubtedly a very useful man and he should not be sitting on the other side of the House.

This year, I observe, my hon. friend tells us he is speaking on behalf of the municipalities. He says that there is a duplication of taxation from which some of the municipalities are suffering, and he thinks the time has come when we should give up some of our revenues, particularly the income tax, on the ground, as he argues, that there is no longer a war. The income tax, he points out, was imposed during the war and he thinks we should now do away with it. I must remind the hon. gentleman that while it is true that there is no longer a war—and we are all glad of the fact—the war debt yet remains and must be paid; more than that, the interest on that debt has to be met. It is therefore more difficult for us to-day who have to carry on the affairs of the country to reduce taxation than it has ever been, especially as the people were taxed less a few years ago.

My hon. friend has not brought forward the argument he presented last year in regard to the legality of the income tax paid to the federal government. The legality of that tax was questioned by a member of one of the provincial governments and the case was taken to the Privy Council. There it was decided that the federal income tax was legal, so that Sir Thomas White, who imposed it, was quite within his rights when he introduced that form of taxation. In introducing that tax Sir Thomas White had a very clear conception of the demands of the country at that time. He was not only aware of the expenditures which the country was then faced with, but he realized what expenditures would ensue from the war. In presenting that measure to parliament—I recall this very well, and hon. gentlemen can verify it by reference to Hansard—Sir Thomas White made it very clear that he was proposing the tax because of additional expenditures. He said he had

hesitated to bring it in but that, seeing that the country had decided to call 100,000 more men to the colours, he realized that Canada would be involved in considerable expenditures for some time to come.

Just before discussing the taxes we have to pay, may I refer to a statement made by my hon. friend, that we had made a promise some time ago to call a conference of the treasurers of the various provinces to see whether some means could not be devised of eliminating the duplication of taxation. My hon. friend, not wilfully but altogether inadvertently, overlooked the fact that such a conference was called. He is wrong when he says that it never took place. We had a conference of all the provincial treasurers, who met in Ottawa, and we agreed upon one policy, namely, that "what we have we hold." The Minister of Finance of the federal government could not afford to lose any of his revenues, while the various provincial treasurers were in need of more funds. We agreed upon another point: it was felt that there should be a further conference to consider in what direction we could effect an economy and so get rid of a certain amount of duplication of service, for which the people were paying, as between the federal and the provincial administrations. It was agreed that that conference should be called by the premiers of the two older provinces, Ontario and Quebec, and I am still waiting for my good friends Mr. Ferguson and Mr. Taschereau to call the meeting. When that is done I will be very glad to attend it, if I am still occupying the office of Minister of Finance.

My hon. friend raises the question of who pays the expenses of carrying on the affairs of the country. There I think he is on pretty solid ground, and we can agree on that. The consumer pays, but every person is a consumer, and when my friend attempts to argue that in the last analysis only one class pays the taxes, I think he is a little wrong. I shall deal with that a little later, however. The tax paid to-day is quite different from that imposed by Sir Thomas White when he introduced the income tax measure. Since that time reductions have been made from year to year; I will give Sir Thomas White and Sir Henry Drayton credit, because they made slight reductions, but I believe every person will give this government credit for those greater reductions which were made last year. To-day a married man has an exemption of $3,000 and if he has three children he has a possible exemption of $4,500, he will have a revenue of $4,500 before being called upon to pay one cent of a tax. Even my genial friend opposite now has an exemption which he did not have before; as an unmarried man he is entitled to an exemption of $1,500, but because his sister keeps house for him and he is a householder, he is entitled to the same exemption as a married man, under the act of last year. So my friend must give us credit for these concessions.

I am not going to delay the House with the statistics which were placed on the records last year, more than to say that the expenses in connection with the war are to-day greater than the amount we are collecting from what are known as special war taxes—taxes which were imposed by previous governments in war time to meet the requirements of the war; but we have made considerable reductions even in the cost of those war taxes. For instance, the interest on the debt in 1921 was over $126,000,000, and we have reduced that interest until to-day it is down to $117,000,000. In 1921 the interest on the public debt over the interest of 1914—that is the addition for war purposes, such as pensions, soldiers' civil re-establishment, soldiers' land settlement, Imperial War Graves Commission, battlefield memorials and adjustments of war claims—was $219,589,436, and by our economy in the administration of the affairs of this country we have reduced these charges until last year they totalled $163,688,411. So we have made some move toward the reduction of taxation.

My hon. friend argued that our taxes are higher to those doing business in Canada than are the taxes in the republic to our south. I am sure that if my hon. friend would give that matter closer attention he would alter his view. I have the statement of a most eminent citizen of Toronto who does as much business in the state of Massachusetts as he does in Canada, and that statement shows that it costs him more to do business, as far as taxes are concerned, in the state of Massachusetts than it does in the province of Ontario. I have another statement from a gentleman who does business both in the state of New York and in Canada, and that statement goes to show that it costs more to do business in the state of New York, as far as taxes are concerned, than in the Dominion of Canada. That is, when you add together the federal taxes, the state taxes and the civic taxes, and make the same comparison with Canada, that is the result.

Then my friend argues and quotes statistics —and we all know what statistics mean—to show that the two older provinces of Ontario and Quebec pay the larger share of the taxes; I think he argued that they pay 80 per cent of the total taxes. You can argue that if you

take the office where the taxes are collected, but it is not fair to argue that because in the city of Montreal the revenues are so much, it is the city of Montreal only which pays those taxes. The income tax branch at Montreal covers all that part of the province of Quebec from the Ontario boundary to Three Rivers, and in Montreal are located great corporations which do business throughout Canada. I refer to the railway companies, the banks, the telephone companies and the telegraph companies, the taxes of which are all paid into that office. The city of Montreal has no right to say that only the citizens of Montreal pay those taxes, and the same argument will apply to the city of Toronto. Toronto covers not only the city itself but includes the counties of York, Peel, Grey, Muskoka, Dufferin, Durham, Ontario, Simcoe, Victoria, Halton and the Parry Sound area. I think I have only to mention this to show my hon. friend that all Canada contributes in some measure to the payment of these taxes.

My friend had almost finished his speech before he suggested one way in which we might get greater revenue. No place in Canada receives more free advice just now than does the office of the Minister of Finance, and I am bound to give my friend credit for being about the first gentleman in the last two months who has offered a remedy. He has offered a remedy, although I am afraid that it would not be very effective. I have had advice for the reduction of taxation which has been estimated by some industrious newspaper man to amount to $177,000,000 in loss of revenue, but no person has suggested a remedy until this afternoon. My friend says we should put up the tariff and apply the dumping clause. But if he puts up the tariff so high that nothing will come in, where are we going to get any revenue? I am afraid we cannot quite agree, but I will be very glad to call in my hon. friend and have a talk with him. If he can show me some way in which I can meet the expenditures asked for by the city of which he was mayor for so many years and where he resides; if he can show me a way to provide for those expenditures and at the same time reduce the revenues, balance the accounts and meet the interest on the public debt, then I repeat that his place is over on these benches, and we will be very glad to see him here.

The hon. member, having brought this matter to the attention of the House, is I presume quite willing to withdraw the resolution.

Mr. CHURCH: Very well.

Mr. SPEAKER: Is it the pleasure of the House that the hon. gentleman have leave to withdraw the resolution?

Motion withdrawn.

DOMINION ELECTORAL LISTS

PROPOSED NATIONAL REGISTRATION SYSTEM

Mr. T. L. CHURCH (Toronto Northwest) moved:

That, in the opinion of this House, the present election act as to voters lists is unsatisfactory and should be repealed and replaced by a national registration voters list system adapted to Canada's special circumstances by which every voter must register to secure the franchise before any federal election.

He said: In my opinion the present system of elections is not what it should be for a people numbering nine or ten million. The Canadian election machinery is the most cumbersome in the world, and I have studied many of the systems. Under the present law the names of many voters are left off the list, especially in the larger urban centres. On the other hand the registration system has been made a success in the United States. Anybody who wants to vote should take enough interest in the affairs of the country to go and register, and a national system of registration would be the cheapest way, it seems to me, to get the popular vote recorded. The existing electoral law of this country is so complicated that it would take a Philadelphia lawyer to interpret the act correctly. The returning officers cannot interpret it, even many county judges cannot do so; and the many election frauds which have grown out of the present election law make it the most ineffective system that obtains anywhere to my knowledge, and at times the most corrupt and costly.

Take the Peace River election which was discussed in this House last session. Under a proper election system would it have been possible for an electoral contest to have been conducted in the fraudulent manner that that one was? I am certain that it would not. I believe that the present election act should be referred to a select committee of the House so that it might be thoroughly investigated. The government should take the responsibility of nominating such a committee composed of representatives of all parties and groups in the House, and that committee should go into the election law and into the whole election machinery and suggest drastic changes. A national registration system would remedy the defects which experience has revealed in the existing law, or at any rate would go far in that connection. In this country to-day if a

man's name is left off the voters' list he is prevented from voting, he is disfranchised. Such cases are not isolated. In my own constituency two hundred and seventy-six returned soldiers who had fought for civilization in Flanders and France found their names omitted from the lists in one of the recent elections. That was not due to any fault of their own; someone had neglected to sign an affidavit, or something of that kind. Is it fair that such things should be allowed to take place? The present election law is most costly in its operation not only to the candidate but to the country and to the great body of voters. To-day the fact that women enjoy the franchise in Canada makes it even more indispensable that the election law should be enforced with fairness and accuracy. In large municipalities in the province of Ontario the registration system is practically in effect to-day because of the recent assessment to election day; elsewhere it is not carried out so often. Now, the provincial voters' lists are somewhat based upon the municipal system, but not the Dominion lists. A national system of registration would be fair to everybody, and if a person does not take the trouble to register the application of some sort of penalty would almost be justified. Such a national registration plan is followed, I believe, in the state of New York, also in other states of the republic, and in other countries successfully. In my opinion a national registration system would prove far more satisfactory than the law in force to-day. I regret very much that the party to which I belong assumed office last summer and thereby secured control of the electoral machinery. It was thought that by having that control they would secure several seats. In my opinion such control did not gain one single seat under the party system. Under the party system everybody wants to be appointed returning officer or poll clerk, and everybody wants to remove the name of somebody else from the list. The present election system, I think, has outlived its usefulness. A committee of this House should be appointed, with power to act during the recess of parliament and to carefully investigate the entire electoral machinery and that of other countries A national system of registration would certainly be best for cities and towns. There might be rural constituencies where it would prove somewhat of a hardship but such cases could be taken care of by other provisions. The present franchise act has been weighed in the balance and found wanting. It contains too many defects, and is most cumbersome and costly in its operation. No matter whom you might have as chief electoral officer it is not possible to carry out the law efficiently. I am not reflecting on the present occupant of that office; the whole election machinery is absurd. The present law is costing the country far too much and is too inefficient. Furthermore, there is too much expense thrown on candidates which should be borne by the country such as notifying voters where to vote and register. If we improve the law in the direction indicated we shall have purer elections and a larger popular vote will be recorded.

For the reasons given I suggest the appointment of a special committee to overhaul the existing election law and machinery and bring in a report. We are spending a large amount of money on the present law and it is a flat failure. I doubt whether there is a riding in the whole of Canada where men and women have not been disfranchised owing to the inequality and injustice of this particular legislation. It is a relic of antiquity of other days, and we have not advanced beyond the somewhat crude system which was in force at the time of confederation. In some instances open voting was the method then followed at elections. Even this method would have prevented such frauds as occurred during the Peace River election.

I ask for a national registration voters' list system adapted to our service, taking into consideration the geographical sections of the country, the provinces and the special circumstances of the case. Those who do not take enough interest in the matter to register if necessary, should not have a vote. I believe the introduction of this system has led to a large increase in the number of voters in New York city and in the state of New York. In the last election for the governor of that state and the many minor officers, warm approval was expressed of the national registration system as against the voters' list system which had been weighed in the balance and found wanting.

Hon. ERNEST LAPOINTE (Minister of Justice): Mr. Speaker, the resolution of my hon. friend is to the effect that the present election act as regards voters' lists is not satisfactory and that it should be replaced by a national registration voters' list system. I would be inclined to agree with the hon. gentleman that the present system is not quite satisfactory. From my experience in my province I know that the former system of using provincial lists which are prepared and corrected every year was much more satisfactory. Under the present system we have to have long election campaigns and this is very costly, especially in the cities.

In England I know they have lists which are always in readiness. They have officers

whose duties are to prepare and correct the lists, and when a dissolution occurs the lists are ready. They have closed lists that cannot be changed or modified after the issuing of the writs. Such a system has a good deal to commend itself even to the people of this country.

On the other hand the system of accepting the provincial lists cannot be adopted because the provincial lists are not uniform in all the provinces. In Quebec the women are not yet on the provincial list so that there would have to be some system of putting them on the lists which are used in the federal election. That matter could be looked into and I do not know whether it would not be possible to go some distance along the line suggested by my hon. friend.

As regards the question of referring this matter to a committee, there is no such statement in the resolution, which merely asks the opinion of the House regarding a system of national registration for the voters' lists, and we had better wait until some other time to discuss this matter. The chief electoral officer has not yet forwarded to this House the report which he has to make after every general election. Doubtless he must have new suggestions to offer as the result of his experience during the recent campaign and that report will have to be considered and studied by this House. If there is a necessity for a committee—and I am sure that when the election act is being changed or modified, it will be proper to refer it to a committee for its consideration—that will be the time to submit the matter to a committee. Meanwhile I think the suggestions made by my hon. friend deserve the consideration of this House and it will be well for every member to give the benefit of his views and experience when the time comes for changing the present system.

Hon. HUGH GUTHRIE (Leader of the Opposition): Mr. Speaker, I feel very much interested in the matter which the hon. member for Toronto Northwest (Mr. Church) has brought to the attention of the House this afternoon in regard to the existing election machinery in this country. I well remember when the present Dominion Elections Act was passed in this House, I think during the session of 1920 or 1921. I remember also I had a great deal to do with the passage of that much maligned measure. If my memory serves me aright that measure was before the House for either one or two sessions and it certainly was under review by a committee of the House. Very much labour was expended on the bill.

We had this condition to face– and we must realize it because we have yet to face it—that we have in Canada nine provinces in nearly all of which there is a varying provincial franchise. There is no uniformity amongst them. We have the most varying inequalities in regard to Quebec, where under the provincial franchise women voters have not yet been admitted to the franchise. In all the western provinces there are other variations so that you could not as a matter of fact adopt provincial lists as the basis for a Dominion franchise unless you adopted in this House the provincial franchise. If in the judgment of the House it would be well to adopt the provincial rather than the federal franchise, then provincial lists might be made available.

We did introduce new systems in that act and we thought we were taking a step in advance. Whether that was the case or not the electors of this country and the members of this House can judge. We adopted a system of registration in the cities and towns and a system of enumeration in the rural districts. We took the system of enumeration in regard to the rural districts from the law in force, I think in Saskatchewan, a law which had not prior to that time been in force in any part of eastern Canada. We were then confronted with the condition which existed in Prince Edward Island where there were no voters' lists at all. We could not adopt the provincial list in that province because there was none. Under these circumstances the committee and the House gave the country what they believed to be as workable, as practical an act as it was possible to evolve, an act which would suit every portion of the Dominion of Canada.

I am sorry to confess that in the actual working out of that act difficulties have arisen. It has proved to be expensive; it has proved in many cases to be inconvenient, and it has not met the requirements of Canada in every instance. That we all admit. It is easy enough to criticise, but I want someone to suggest a better method. The hon. member for Toronto Northwest, has suggested a method of national registration. I do not know what the term implies, and I do not understand the system. The resolution itself throws no light upon the system, and my hon. friend in his speech offered us no intimation in regard to the working of such a system. I do not know what it is, but I believe in every country where an electoral system is in force some objection is still found to the existing system. My hon. friend the Minister of Justice (Mr. Lapointe) has referred to the system in force in Great Britain. I believe their system is as nearly

perfect as any we know of, but at almost every session of the British House there are objections made even to that system. In the first place, it is very costly. It requires a host of officials, not for the purposes of elections, but officials who are appointed practically for life—revising barristers and their clerks, and a host of supernumeraries for each riding. They have a dense population; they have not the long distances we have to contend with here, and they are able under their system to get up what is in my judgment a well-nigh perfect list, more nearly so than the lists in any other country that I know of. I would certainly welcome the adoption of such a system in this country. It was tried, you may remember, Mr. Speaker, under the government of Sir John Macdonald in 1885. The principle of revising officers was then adopted in this country, but it was found to be unworkable, cumbersome, expensive, and no improvement on the former law, and the very government that introduced that change, after trying it out in two elections, repealed it, or at all events was ready to repeal it. Well, should we be ready to adopt it again? That is the question. I am satisfied that if we did, if we worked on the English principle and were willing to stand the expense, we should have as nearly perfect a voters' list as it is possible to get.

Registration, in my judgment, is not going to help the situation any. It might avoid a little difficulty in our urban centres, but it could never be applied to our rural districts. You cannot ask a farming community in this country to go five, ten, fifteen, twenty or fifty miles for the purpose of registering prior to an election, and it would be impossible to appoint enough officials to go round and register them at their respective homes.

If anyone has any suggestion to make by way of improvement, I am sure the House will welcome it, or if a committee can devise any better means than we have now under our present elections act, then by all means let us get a committee to work and evolve a better system than we now have. We tried to get as perfect a system as possible, but I am perfectly willing to admit that it has many imperfections. If my hon. friend from Toronto Northwest (Mr. Church), who seems to have given some attention to this matter, would set himself to work and devise certain amendments designed to bring about an improvement in our present system, we would examine them with pleasure, and I am sure that any helpful suggestion would be welcomed by the government and by the House.

Motion withdrawn.

[Mr. Guthrie.]

NATURAL RESOURCES—ALBERTA

On the Orders of the Day:

Hon. HUGH GUTHRIE (Leader of the Opposition): Might I ask my hon. friend the Minister of Justice (Mr. Lapointe) if he would cause to be laid upon the table of the House, if possible to-morrow, the exact question which was submitted to the Supreme Court of Canada recently in regard to what is known as the Alberta natural resources case? I am aware I can get it from the files of the Supreme Court, but it would be a great convenience if my hon. friend would lay it on the table to-morrow.

Hon. ERNEST LAPOINTE (Minister of Justice): I shall be pleased to comply with my hon. friend's wish in that respect to-morrow.

CARILLON POWER DEVELOPMENT

On the Orders of the Day:

Hon. HUGH GUTHRIE (Leader of the Opposition): Might I also ask that there be laid on the table of the House, at as early a date as possible, copies of all orders in council which have been passed within the last twelve months in respect to the Carillon falls power development on the Ottawa river, near Hawkesbury.

Hon. ERNEST LAPOINTE (Minister of Justice): I shall be pleased to bring my hon. friend's request to the notice of the right hon. leader of the government, and no doubt he will give a satisfactory answer to my hon. friend.

DISSOLUTION OF LATE PARLIAMENT

REQUEST FOR CORRESPONDENCE

On the Orders of the Day:

Hon. HUGH GUTHRIE (Leader of the Opposition): Might I ask that there be laid on the table of the House, at as early a date as possible, all correspondence which took place between the Right Hon. Arthur Meighen and His Excellency the Governor General, then Lord Byng, in June or July last, with reference to the dissolution of the then parliament, and all correspondence which took place between the same persons with reference to the resignation of the Right Hon. Mr. Meighen last autumn; and at the same time and in the same connection, all correspondence which took place between the present Prime Minister of Canada and His Excellency the Governor General in the month of June last in regard to the resignation of the then government or in regard to the dissolution of the then parliament.

Hon. ERNEST LAPOINTE (Minister of Justice): I shall be pleased to transmit the nature of my hon. friend's wishes in this regard to the right hon. leader of the government, and no doubt he will give a satisfactory answer to my hon. friend.

BUSINESS OF THE HOUSE

STANDING COMMITTEES

On the Orders of the Day:

Hon. HUGH GUTHRIE (Leader of the Opposition): There is just one other matter I wish to mention with a view to expediting the business of the House. There are a large number of Senate bills on the order paper which cannot be proceeded with until the standing committees of the House are struck. Might I urge upon the government the propriety of seeing that these standing committees are struck as soon as possible so that the legislation may be proceeded with. The striking committee, I think, was appointed last December before the adjournment.

Hon. ERNEST LAPOINTE (Minister of Justice): I am sorry the chief whip is not here. I know there have been communications between representatives of the various groups in the House, and I thought that a decision had been reached. However, I think that to-morrow an answer will be given to my hon. friend in regard to that matter.

HOME BANK DEPOSITORS

On the Orders of the Day:

Mr. PETER McGIBBON (Muskoka-Ontario): I would like to ask the Minister of Finance if it is the intention of the government to carry out the recommendations of the judges of the Exchequer court to grant another $500,000 to the depositors of the Home Bank.

Hon. J. A. ROBB (Minister of Finance): I am not sure at the moment that we have had any such recommendation from the judges of the Exchequer court, but I will look into the matter.

Mr. McGIBBON: It was announced in the newspapers.

NATURAL RESOURCES—ALBERTA COAL

On the Orders of the Day:

Mr. T. L. CHURCH (Toronto Northwest): Last spring two urgent matters came before the House, the first with reference to the rates for the transportation of coal from Alberta. This question was to be referred to the railway commission for immediate action, but we have heard nothing of it since. Secondly, what has become of the application to the Supreme Court of Canada in reference to the natural resources of Alberta, about which we were told a year ago in the speech from the throne legislation would be brought in? We were told that there would be also a special meeting of the Supreme court, and that parliament would then be advised in regard to the matter. It is a question not of law but of policy. What has become of these two matters? It is nearly nine months since the House dealt with them? Why the delay? What is the situation?

Hon. ERNEST LAPOINTE (Minister of Justice): I can answer perhaps one of the questions put by my hon. friend, with reference to the question submitted to the Supreme Court of Canada. As my hon. friend knows, since that statement was made in the House, many things have happened in this country. There has been a general election and another government has come into power, and until the present government was back in office again, according to the wish of the people of Canada, nothing further was done with regard to that reference. It is now before the Supreme court; it is pending, and I hope there will be an early decision.

Hon. CHAS. A. DUNNING (Minister of Railways and Canals): As far as the other matter is concerned, I presume my hon. friend is referring to the request which was made to the Board of Railway Commissioners to inquire into and determine what was the actual cost of transporting coal from Alberta to Ontario. The Board of Railway Commissioners have not yet reported with respect to the matter. They have been busily engaged ever since in connection with the general rates inquiry and I am not just sure just how far they have got in connection with the question of the cost of transporting coal.

TARIFF ADVISORY BOARD

DUTY ON PUMPS

On the Orders of the Day:

Mr. J. S. WOODSWORTH (Winnipeg North Centre): In view of the statement made by the Minister of Finance yesterday, will he be good enough to lay on the table the evidence of the report of the board in connection with the application by the Ames Baker Company, Limited, of Brandon, for a change in the duty on pumps, as made before the Tariff Advisory Board?

Mr. ROBB: The information will be made available.

On motion of Mr. Lapointe, the House adjourned at 5 p.m.

Thursday, February 10, 1927

The House met at three o'clock.

NEW MEMBER INTRODUCED

William Duff, Esquire, member for the electoral district of Antigonish-Guysborough, introduced by Right Hon. W. L. Mackenzie King and Hon. J. L. Ralston.

EXPENDITURE UNDER GOVERNOR GENERAL'S WARRANTS

DOCUMENTS TABLED

Hon. J. A. ROBB (Minister of Finance): On February 8 my hon. friend from Vancouver Centre (Mr. Stevens) raised a question with reference to an expenditure of $45,000 under governor general's warrants. There was some controversy between the hon. member and the Prime Minister (Mr. Mackenzie King) as to how this corresponded with a certain speech delivered at Richmond Hill. I promised to lay on the table the papers in relation to this matter, but perhaps the House would like to know that this expenditure was made to comply with the requirements of an order in council passed on December 29, 1921, which, as my hon. friend will recall, was about the day before the government of which he was a supporter resigned. Under the terms of that order in council the Department of Soldiers' Civil Re-establishment was authorized to assume the cost of compensation in respect of pensioners of twenty per cent and upwards who were engaged in industry, the object of such legislation being to make it easier to find employment for disabled ex-members of the forces. That order in council was renewed for one year on September 18, 1924, and accordingly it expired on September 18, 1925. At the time of this authorization an order in council was put through to meet expenditures that had been incurred during the winter of that year, the vote not having been quite sufficient. I will lay all the documents on the table so that my hon. friend can examine them.

IMPERIAL CONFERENCE, 1926

APPENDICES TO SUMMARY PROCEEDINGS TABLED

Right Hon. W. L. MACKENZIE KING (Prime Minister): The appendices to the summary of proceedings of the Imperial Conference of 1926, copies of which I am now tabling, are those printed by the British government. I move, seconded by Mr. Lapointe, that 1,000 copies in English and 700 copies in French of the said appendices, laid upon the table of the House this day, be printed forthwith, and that rule 74 be suspended in relation thereto.

Motion agreed to.

[Mr. Robb.]

FRUIT AND VEGETABLE COMBINE

Hon. PETER HEENAN (Minister of Labour): Mr. Speaker, on Tuesday last the hon. member for Vancouver Centre (Mr. Stevens) requested a statement of expenditures in connection with the fruit and vegetable combine in western Canada. Regarding that request I wish to state that the situation—

Mr. SPEAKER: The hon. member cannot make that statement just now; he may make it before the orders of the day are called.

LOAN COMPANIES ACT, 1914, AMENDMENT

Hon. J. A. ROBB (Minister of Finance) moved for leave to introduce Bill No. 49, to amend the Loan Companies Act, 1914.

Mr. GUTHRIE: Explain.

Mr. ROBB: In the first place this bill adds section 54 to the group of sections which apply to companies incorporated before 1914 requiring loan companies to send copies of their financial statements to shareholders with the notice of annual meeting; (2) permits loan companies to increase by by-law their borrowing powers from four times their capital and reserve to eight times their capital and reserve, due notice being given to shareholders and debenture holders and the by-law being approved by the Treasury board; (3) makes it necesary for loan companies to obtain and have renewed annually licenses from the minister in order that they may be authorized to carry on their business; (4) requires all loan companies to file, on request, with the department, a certified copy of their by-laws; (5) substitutes the word "license" for the word "certificate" and makes it clear that it applies to old as well as new companies.

Motion agreed to and bill read the first time.

INSURANCE ACT, 1917, AMENDMENT

Hon. J. A. ROBB (Minister of Finance) moved for leave to introduce Bill No. 50, to amend the Insurance Act, 1917.

Mr. GUTHRIE: Explain.

Mr. ROBB: The objects of the bill are as follows: (1) It gives all Canadian insurance companies the power to issue sinking fund; (2) increases the deposit to be made by British or foreign companies entering Canada to transact life or fire insurance business from $50,000 to $100,000; (3) makes applicable to no par value shares the conditions for eligibility as investments now contained in the Insurance Act regarding common stocks of par value; (4) permits to a limited extent

the investment by Canadian insurance companies in the stock of other Canadian insurance companies, the limit of such investment by any company being fifteen per cent of its own assets; (5) gives to all Canadian fraternal benefit societies the right to issue old age endowments; (6) makes slight change in qualifications of actuaries eligible to make fraternal societies' valuations by adding to list members of the American Institute of Actuaries, and provides that actuaries to be eligible must be members by examination of the various approved institutes; (7) provides that in estimating margin of security provided by Canadian fire and casualty insurance companies any investment in stocks of other companies permitted by the amendment contained in section 4 above shall be disregarded.

Motion agreed to and bill read the first time.

WINDING-UP ACT AMENDMENT

Hon. J. A. ROBB (Minister of Finance) moved for leave to introduce Bill No. 51, to amend the Winding-Up Act.

Mr. GUTHRIE: Explain.

Mr. ROBB: Under the bill parts III and IV of the act are merged, the amending clauses removing the suggested discrimination, in liquidation, in favour of Canadian policy holders, as against other policy holders of Canadian companies.

Another object is to make more satisfactory provision for the re-insurance of the policies instead of distributing the assets by way of dividend on the unearned premiums, or net values of the policies. Under the amendment the liquidator will have power to re-insure the business without the consent of the policy holders being first obtained. A new subsection is added to section 162. It is intended to overcome a condition created by a recent judicial decision by which certain rights were given to a class of company in connection with the deposit made with the minister. It is believed that a recognition of this decision would amount to a violation of the trust involved in the making of such deposits, and that this interpretation should be made impossible in future.

Motion agreed to and bill read the first time.

TRUST COMPANIES ACT, 1914, AMENDMENT

Hon. J. A. ROBB (Minister of Finance) moved for leave to introduce Bill No. 52, to amend the Trust Companies Act, 1914.

Mr. GUTHRIE: Explain.

Mr. ROBB: This bill makes it necessary (1) for trust companies to obtain and have renewed annually licenses from the minister in order that they may be authorized to carry on their business; (2) for all trust companies to file, on request, a certified copy of their by-laws; and (3) there is a substitution of the word "license" for the word "certificate," making it clear that it applies to old as well as new companies.

Mr. BENNETT: Before the motion is put may I ask the Minister of Finance if he has considered these bills in the light of the revision of the statutes which is now taking place. It seems to me they should be passed as soon as possible, if they are necessary, and placed in the hands of the commission for the revision of the statutes. Because my hon. friend will remember the old story: You revise the statutes this year and then you have amending statutes the same session, and then the value of the revision in such matters is very limited. I am sure the Superintendent of Insurance will take the matter in hand and see that the revision takes place.

Hon. ERNEST LAPOINTE (Minister of Justice): May I say to my hon. friend that the commissioners appointed for the revision of the statutes are going to continue their work until the end of the present session, so that the legislation passed this session will form part of the revised statutes.

Motion agreed to and bill read the first time.

CRIMINAL CODE AMENDMENT

Mr. T. L. CHURCH (Toronto Northwest) moved for leave to introduce Bill No. 53, to amend the Criminal Code (holding public games for charitable objects).

Some hon. MEMBERS: Explain.

Mr. CHURCH: The desire for this legislation has come from a large number of municipalities. The privilege is frequently sought to raise funds for relief work by social, church, charitable and patriotic associations, and mayors and wardens have been granting permits to raise funds for these worthy objects. This form of permit was not allowed when the code was drafted thirty years ago, and the object of the amendment is to make this form of permit legal now for the above charitable objects. Many municipalities have petitioned for the change, which is introduced at the request of the municipalities.

Motion agreed to and bill read the first time.

DOMINION FOREST RESERVES AND PARKS ACT AMENDMENT

CANADIAN HISTORIC PARKS

Hon. CHARLES STEWART (Minister of the Interior) moved for leave to introduce Bill No. 54, to amend the Dominion Forest Reserves and Parks Act.

Mr. GUTHRIE: Explain.

Mr. STEWART (Edmonton): The objects of this bill are to change the name of the parks from "Dominion parks" to "Canadian National parks" and to provide statutory authority for the administration of the small areas commonly known as historic sites and monuments that are hereafter being called Canadian historic parks. It is considered that the parks have now become of sufficient national importance that before any change is made, either in the way of an addition or a withdrawal, there should be an open discussion of the matter on the floor of the House, or in other words that no change can be made without a special act of parliament. That is practically all that is provided for in the bill.

Motion agreed to and bill read the first time.

ST. REGIS INDIAN RESERVE

CONTROL BY SUPERINTENDENT GENERAL

Hon. CHARLES STEWART (Minister of the Interior) moved for leave to introduce Bill No. 55, to provide for special control by the Superintendent General of Indian Affairs of certain islands in the St. Lawrence river being part of the St. Regis Indian reservation.

Some hon. MEMBERS: Explain.

Mr. STEWART (Edmonton): In the Indian act provision is made for doing just what this bill proposes to do, namely to lease lands, but there is not full provision for leasing lands that are already under lease. Inasmuch as these lands have been in some cases for ninety-nine years held under lease with a provision in the lease that there be a continuation of it for a further ninety-nine years—and indeed it is somewhat indefinite—action was taken in the Exchequer court by the Department of Indian Affairs to cancel these leases. It will be understood by the House that there are no Indians residing on these islands but they are very valuable as summer resorts. As regards the islands designated in the bill we have succeeded in cancelling the leases. There are two or three as to which a decision of the court is still pending. We are asking for power not to sell these islands but to lease them and to get a reasonable revenue out of them for the maintenance of the Indians.

Motion agreed to and bill read the first time.

INDIAN ACT AMENDMENT

Hon. CHARLES STEWART (Minister of the Interior) moved for leave to introduce Bill No. 56, to amend the Indian Act.

Some hon. MEMBERS: Explain.

Mr. STEWART (Edmonton): The first purpose of the proposed amendments to the Indian Act are to give the Superintendent General of Indian Affairs power to deal with small amounts accruing to the bands in the way of band funds where in some cases the bands have become almost extinct, and to allocate these moneys in the interest of the Indians. The second provision is that we shall have more complete control over pool rooms and places of amusement upon the reserve, and the third is as follows: Under the act as it exists at present all changes in the regulations, and particularly in connection with those dealing with the appointment of Indian chiefs, have to be enacted by order in council. We are asking that this may be accomplished by the Superintendent General without reference to the council. Paragraph 6 is repealed and there is a provision for the repression of intemperance and profligacy. This is to give the council of chiefs themselves more power and to make clearer the meaning of the definition giving them more power to take action.

There is the question of carrying out the temperance laws, which it has become somewhat difficult to enforce, and we are asking wider powers in that connection. In British Columbia we are asking for some control over the sale of totem poles, which are of great historical value and which have been disposed of and sold without let or hindrance, indeed without the Superintendent General or the department being able to exercise any control whatever. These are the main provisions of the amendment to the act.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

INSURANCE OF FRENCH-CANADIAN WOMEN

Mr. BOULANGER:

1. Is the government aware that certain insurance companies demand an extra premium on policies issued in favour of French-Canadian women?

2. If so, does the government intend to introduce legislation to stop such unfair discrimination?

Hon. Mr. ROBB: The government is aware that higher rates have in some cases in the past been charged French-Canadian women, the extra charge being, it was claimed, justified by the mortality experience of this class of insured risks. It is believed, however, that the practice has been abandoned and that little cause for complaint will be found in the future.

SOUTH INDIAN—CHANGE OF NAME TO LIMOGES

Mr. GARLAND (Carleton):

1. Has any change been made by the Post Office department in the name of South Indian post office, in the county of Russell, Ontario?
2. If so, what is the present official name of this office, and is there any other office of the same name in Canada? If so, where?
3. Why was a change of name made in respect of this office?
4. At what date was the change authorized?
5. Was any petition presented by the local residents in favour of such change of name?
6. If so, how many petitioners signed such petition?
7. Was any petition presented against such change of name?
8. If so, how many petitioners signed such last-named petition?
9. How and by whom was the new name of this post office selected?

Hon. Mr. VENIOT:

1. Yes.
2. Limoges. No other post office of same name.
3. Petitioners stated South Indian has no meaning. There are no Indians in neighbourhood and name provokes ridicule.
4. Authorized 23rd October, 1926, effective 1st December.
5. Yes.
6. 59.
7. Yes.
8. 246.
9. Recommended by petitioners who stated it was name of former parish priest held in high esteem, whose ancestors came from Limoges, France.

CHINESE SITUATION

Mr. BLACK (Yukon):

1. What has Canada done to protect Canadians in China during the present disturbances in that country?
2. What protection is now being afforded such Canadians and at whose expense?
3. If Canada is contributing to the expense of such protection, how and to whom is the contribution made?

Right Hon. Mr. MACKENZIE KING: This question relates to the situation in China and I will therefore read to the House the reply which I propose to make to it. The reply will perhaps serve to answer other questions on the order paper and what it might otherwise be necessary to say in reference to one of the motions of which notice has been given.

The protection of life and property, in any country, whether of nationals or of aliens, is primarily the duty of the government of that country. Of late, civil war in China, now of several years' duration, has increased the difficulty of ensuring that protection, and the evacuation of certain interior areas by foreign residents has been considered an advisable precaution. At the same time it must be recognized that the loss of life by foreigners in these years of disturbance has been extraordinarily small. So far as is known, only one Canadian has been killed; the existence of a political motive in that case, which occurred in June, 1926, was not fully established, and the murderer was shot immediately by Chinese soldiers.

Canada is in full sympathy with the desire of the Chinese people to secure control of their own destiny, having due regard to the safety of the life and property of foreign residents. While there are extremist elements in the situation, it is clear that as regards the responsible leaders and the great majority of the Chinese people, the present nationalist movement is directed, not against the lives or private rights of foreign residents but against the special privileges or the measure of control over Chinese affairs exercised by foreign countries as regards extra-territoriality, customs, concessions and other matters. Canada has not in the past had any part in shaping or maintaining the policy of acquiring such rights or privileges in China, and has had no part in the recent negotiations for their readjustment. The Canadian government is, however, in full sympathy with the British Foreign Secretary's announced policy of "going as far as possible to meet the legitimate aspirations of the Chinese nation," and believes that this course is both just and best adapted to ensure protection of life and of religious and business interests.

Under these circumstances it is not considered that it would serve any useful purpose to propose despatching Canadian forces to China. If the situation should change the government will take the earliest opportunity of consulting with parliament as to the appropriate course to pursue.

SIR AUGUSTUS M. NANTON

Mr. WOODSWORTH:

1. What sums of money, if any, were paid during the war to Sir Augustus M. Nanton?
2. For what services?

Hon. Mr. ROBB: The late Sir Augustus M. Nanton was a member of the general executive and the head of the organization for the province of Manitoba in the three victory loan campaigns, 1917, 1918, and 1919. The records of the Department of Finance indicate that he served in these capacities without remuneration.

If my hon. friend desires to inquire from any other department his question will have to stand as an order for a return.

QUESTIONS PASSED AS ORDERS FOR RETURNS

PUBLIC PURCHASING AND CONTRACTS

Mr. GARLAND (Bow River):

1. In regard to public purchasing and allotment of public contracts under federal government, what is the amount in dollars of purchases and contracts allotted: (a) total for year 1925-26; (b) total allotted under open competition; (c) total allotted departmentally; (d) total allotted under authority of the government contracts supervision committee?
2. In regard to the government contracts supervision committee, what is the present situation as to: (a) extent of establishment; (b) cost of establishment; (c) nature of duties performed?

FEDERAL GOVERNMENT EMPLOYEES

Mr. GARLAND (Bow River):

1. What is the total number of personnel employed by the federal government at the most recent ascertainable date?
2. How are these employees divided in numbers under the following heads: (a) male; (b) female; (c) permanent; (d) temporary; (e) civilian; (f) overseas active service; (g) under the Civil Service Act; (h) exemption from the Civil Service Act?

APPROPRIATIONS, 1925-6

Mr. GARLAND (Bow River):

1. What is the total sum of the appropriations for the fiscal year 1925-26, both capital and consolidated accounts?
2. What is the division of these appropriations under the following headings: (a) appropriations relating to past wars; (b) appropriations relating to future wars; (c) appropriations for civil departments; (d) appropriations for public works; (e) appropriations for science; (f) appropriations for social and ethical improvement; (g) appropriations not included in c, d, e, and f?

MAIL COLLECTIONS

Mr. HAY:

1. In how many towns in Canada of 3,000 population and under is there a mail collection?
2. What is the name of each such town, its population, and the number of letter boxes therein?
3. What is the cost of such collection in each town?
4. What is the total cost for the Dominion?

[Mr. Woodsworth.]

CIVIL SERVICE COMMISSION

Mr. SEGUIN:

What annual amount does the government pay for the functioning of the Civil Service Commission, as to salaries of commissioners and all employees including travelling costs, rentals, and any other expenditure in connection with said commission?

SPECIAL WAR REVENUE ACT, 1915, AMENDMENT

Hon. J. A. ROBB (Minister of Finance) moved that the House go into committee at the next sitting to consider the following proposed resolution:

Resolved, that it is expedient to bring in the measure to amend The Special War Revenue Act, 1915, as passed by both houses of parliament at the last session but not assented to, providing

(a) for the removal of the one cent additional postage on letters for transmission by post for any distance within Canada; excepting "drop" letters and post cards;

(b) for the remission of the stamp tax on receipts;

(c) for a straight tax on playing cards, on every fifty-four cards or fraction thereof in each package—ten cents per pack;

(d) for a provision to remove doubts as to whether goods are liable to sales tax when sold under process of law, or under a lien, etc.;

(e) for the exemption of certain specified articles from consumption or sales tax;

(f) for adding certain specified articles to the list subject to 50 per cent of the sales tax;

(g) for removing the tax on carbonic acid gas;

(h) for a refund of tax paid on ships' stores;

(i) for the removal of excise taxes on automobiles valued at not more than $1,200, when the conditions prescribed in the said legislation are fulfilled as to importation from any British country under the British preferential tariff, or from countries enjoying most favoured nation treatment, or as to automobiles produced or manufactured in Canada, and authorizing a refund of excise tax on such automobiles new, unused and unsold in the possession of the dealer or agent on 8th June, 1926; and

(j) for the repeal of certain orders in council relating to the operation of these provisions.

He said: Mr. Speaker, this resolution covers legislation arising from the budget of 1926. The measure to be submitted is identically the same as that which passed both houses of parliament, but which failed to receive royal assent. The principal parts of the legislation were made effective by order in council dated July 14, 1926. There is no change whatever in the general principle of the legislation.

Motion agreed to.

MONTREAL HARBOUR COMMISSION

LOAN OF $12,000,000 FOR TERMINAL FACILITIES

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries) moved that the House

go into committee at the next sitting to consider the following proposed resolution:

Resolved, that it is expedient to bring in the measure to authorize a loan to the harbour commissioners of Montreal in an amount not exceeding $12,000,000, to carry on the construction of terminal facilities, upon approval of the Governor in Council of detailed plans, specifications and estimates for such works and the deposit of debentures of the corporation to cover said loan, which legislation was passed by both houses at the last session, but which failed to receive the royal assent owing to the dissolution of the House.

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

This is the same resolution, Mr. Speaker, that preceded the bill of last year for a loan to the harbour of Montreal.

Motion agreed to.

GRAND TRUNK PACIFIC RAILWAY COMPANY

SUBSTITUTION OF CANADIAN NATIONAL FOR GRAND TRUNK PACIFIC SECURITIES

Hon. CHARLES A. DUNNING (Minister of Railways and Canals) moved that the House go into committee to consider the following proposed resolution:

Resolved. 1. That it is expedient to bring in a measure to confirm the scheme of arrangement, dated 26th August, 1926, with the holders of the four per cent debenture stock of the Grand Trunk Pacific Railway Company issued pursuant to chapter 100 of the statutes of 1906 and chapter 123 of the statutes of 1913, whereby the Canadian National Railway Company may, by by-law approved by the Governor in Council, create and issue new stock in exchange for the certificates registered in the name of the holders, for a like amount or the like aggregate amount as the case may require.

2. That the amount of the new stock shall not exceed in the aggregate £7,176,801 par value, being the par value of the balance of the total issue of £10,176,801 of the Grand Trunk Pacific Railway Company stock now outstanding after deducting from such total issue the certificates representing £3,000,000 of Pacific stock held by His Majesty in the right of the Dominion of Canada as collateral security for advances made by His Majesty to the Grand Trunk Railway Company.

3. That the new stock shall carry interest as from 1st July, 1926, at the rate of two per cent per annum, payable half-yearly, and a sinking fund is to be set aside each year for redemption of stock equal to two per cent.

4. That the Governor in Council may authorize the guarantee by His Majesty in the right of the Dominion of Canada of the due and punctual payment of the principal and interest of the new stock, and the provision for and application of the instalments of the sinking fund, and other relative clauses of the scheme of arrangement.

5. That upon the said scheme of arrangement being carried out, the Governor in Council may, on such terms and conditions as may be necessary in the public interest, declare that the receivership of the Grand Trunk Pacific Railway is terminated, and upon such termination the said company or any company included in that system, may be amalgamated with the Canadian National Railway System upon the recommendation of the Minister of Railways with the sanction of the Governor in Council.

6. That the scheme of arrangement having already been assented to in writing by the holders of three-fourths in value of the Pacific stock, shall, according to its terms, become operative on the passing of an act of the parliament of Canada approving the scheme and authorizing the Canadian National Railway Company to create and issue the stock, and authorizing the guarantee above mentioned to be given.

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

Some hon. MEMBERS: Explain.

Mr. DUNNING: The object of the scheme, which can be much better examined in detail when we reach the committee stage on the resolution, is to clear up a difficulty of very long standing in connection with the four per cent perpetual debenture stock of the Grand Trunk Pacific Railway Company, conditionally guaranteed by the Grand Trunk Railway of Canada. As I think every member of the House is aware, there has been difficulty for a number of years with regard to this matter. I think every member of the House knows that the Grand Trunk Pacific Railway Company is still to-day in receivership very largely, if not altogether, on account of the difficulty created by this particular issue of stock being outstanding. The issue which we seek to deal with is a perpetual issue; that is to say, it never matures. Anything which is done in connection with it, therefore, must be done either by way of purchase in the open market of the whole stock, which might prove to be difficult, if not impossible, or secondly, by way of negotiation.

I do not propose to go into the history of the difficulty at length, except to say this: as a consequence of the difficulty there undoubtedly has existed in England, and in Europe generally, a feeling that Canada was not dealing fairly with these debenture holders. The matter has been discussed in parliament, and I feel sure that every hon. member present who is familiar with the facts believes that Canada has dealt justly with the holders of the Grand Trunk Pacific perpetual debentures in the past. Just as it takes two parties

to make a quarrel, however, so also it requires agreement between two parties in order to bring that quarrel to an end—at least where perpetual debentures are concerned—and for some time past negotiations have been conducted with committees representing debenture holders in London with a view to amicable settlement and avoiding litigation. I think I am correct in saying that the arrangement proposed in the bill was reached as between the committee of the debenture holders and representatives of the Canadian National Railway during the month of August, and the arrangement here proposed was, I believe, authorized by the government then in office in the Dominion of Canada. The present government has examined it very carefully in detail, and has no hesitation in recommending it to the consideration of the House. Briefly, it provides that such of the present debentures as are in the hands of the public, amounting to something over seven million pounds, shall be taken up by a new issue of Canadian National debentures, the new issue to bear interest at the rate of two per cent per annum. There is a further provision that two per cent shall be placed in a sinking fund, the proceeds of the sinking fund to be used for the gradual retirement of the debentures.

We can go much more readily into the further details in the committee stage, but in the meantime I should like to say that there is no doubt that there is advantage to Canada and advantage to the Canadian National railways from these points of view. First we have the elimination of the accounting necessary to keep the results of the operation of the Grand Trunk Pacific Railway and the Grand Trunk Railway of Canada separate, and make it possible to reduce considerably our accounting work and expense. Another important advantage is that it will enable the present receiver of the Grand Trunk Pacific Railway Company to be discharged and permit that company and its lines to be amalgamated with the Canadian National system. I think we may say that another advantage is that this bill, if passed, will eliminate any possibility of a lawsuit which might involve prolonged and expensive litigation, and there is no doubt it will create a better feeling in London and the continent towards Canadian securities and enterprises generally.

Mr. GEARY: Is this the four per cent debenture stock which was adjudged in the arbitration to be of no value?

Mr. GUTHRIE: No, no.

Mr. DUNNING: No, these are debentures of the Grand Trunk Pacific.

[Mr. Dunning.]

Hon. HUGH GUTHRIE (Leader of the Opposition): My hon. friend the Minister of Railways (Mr. Dunning) asked me if we on this side would assist in expediting the passing of this measure through the House. As it is a proposal which has many apparent advantages, both for this country and for the bondholders who hold those perpetual debentures, we on our part thought that we should do all we could to see that the measure passed through the House with as little delay as possible. I agree with my hon. friend that the passage of this measure will have the effect of setting at rest, upon a satisfactory basis, rather an awkward situation that arose some years ago and has continued to exist down to the present time between the debenture holders in Great Britain or other places and the government of Canada in respect of these debentures. The debentures were originally sold to the public to the extent of about seven million pounds. The government of Canada became the possessor of three million pounds of debentures through a transfer from the old Grand Trunk Pacific at a time when it asked the government of Canada for assistance, and gave three million pounds of those debentures by way of security. The debentures were not only a charge on the Grand Trunk Pacific, but likewise a charge on the old Grand Trunk system, but only when the profits on the Grand Trunk system would warrant the payment of the interest on these debentures.

Mr. DUNNING: After prior charges.

Mr. GUTHRIE: After interest on prior securities has been provided for. They were not in one aspect of the case of great value to the Dominion of Canada. However, the real value of these debentures has been a matter of a good deal of difference of opinion. Now the arrangement, as stated by the Minister of Railways, appears to me to be made upon a very satisfactory basis. We are paying two per cent annually to the holders of these debentures. We are taking up the old debentures, issuing new ones on the basis of two per cent per annum, and providing an additional two per cent to pay off the debentures, I suppose in some forty or fifty years, although the term is not stated in the resolution. I therefore think it is our duty in this House to carry through this arrangement. It appears to be fair and reasonable in all its terms and satisfactory to all parties concerned to carry it through as speedily as possible.

Mr. SPEAKER: By unanimous consent this motion is made.

Motion agreed to and the House went into committee on the resolution, Mr. Johnston in the chair.

Mr. CHURCH: This resolution is one of very great importance, and the minister has not given the House all the information about the particular arrangement made with the shareholders in this connection.

The arrangement is not fair to Ontario. About $122,000,000 credit and $22,000,000 cash were taken out of Ontario by the Grand Trunk and invested in the Grand Trunk Pacific. The Grand Trunk, who were the parent company, brought the government in as a quasi partner and when the Grand Trunk Pacific went to the wall a receiver was appointed. A survey was made by the government and the case heard of the holders of the common four per cent stock of the Grand Trunk Pacific company by a royal commission. The Grand Trunk Railway took all this cash and credit out of the old Grand Trunk Railway in Ontario, when the Liberal government of Sir Wilfrid Laurier sanctioned the construction of the Grand Trunk Pacific through the parent company, the Grand Trunk Railway. On whose credit? Very largely the Grand Trunk Pacific on the credit of the Grand Trunk railway in the old province of Ontario and the federal government. Ontario suffered untold ills as a result of the building of the Grand Trunk Pacific. We have invested over $2,000,000,000 in the publicly owned roads; about half of this is a frozen asset, pays no interest at all and has no sinking fund. If we are going to adopt this principle of allowing the holders of certain stock of a bankrupt road in the hands of a receiver to exchange it for new stock of which the government will guarantee interest, I say it is not in the public interest; it is tantamount to robbing one class of investors in order to pay others—that is, robbing Peter to pay Paul. The construction of the Grand Trunk Pacific impoverished the Grand Trunk Railway to such an extent that for nearly sixteen years Ontario suffered all the inconveniences incident to a very inadequate transportation service by the Grand Trunk system. There was no money for rolling stock or equipment or even for the ordinary betterment of the railway, with the result that the farmers of Ontario suffered very serious inconvenience. I sympathize with the shareholders named in the resolution, but I fail to see why they should be singled out for preferential treatment, especially when the unfortunate depositors in the Home Bank are getting what is little better than pin money. We are being over generous to this particular type of investor.

I am going to vote against this resolution in protest against the scheme of arrangement entered into with the holders of the four per cent debenture stock of the Grand Trunk Pacific Railway. In my opinion a survey should be made of the whole system. There should be a full investigation of the Grand Trunk Railway and the other railways incorporated in the Canadian National railway system, instead of taking Sir Henry Thornton's word for this or that. It must be remembered that this is not the only company we took over; there are some fifteen or sixteen charters linked up in the one system now known as the Canadian National Railway, all with separate claims and in separate conditions. Consequently if we confirm this arrangement we may have the stockholders of some of the other constituent companies asking for preferential treatment. In my opinion the committee should have more information concerning this particular arrangement, and we should also have a declaration of policy from the Minister of Finance as to how it will affect the deficits of the National Railways and, in turn, the credit of the country. I repeat, Mr. Chairman, I am going to vote against this resolution.

Mr. POWER: Mr. Chairman, it is not often that I agree with my hon. friend from Toronto Northwest (Mr. Church) on any subject, but it seems to me that in this case far more information should be given to the House than is at present before us. For instance, I should like the minister to tell us just what legal right the debenture holders have to be paid on this stock; I should like also to know from him just what the arbitration board decided with reference to this matter; and generally speaking, I should like to know why we are disbursing approximately $35,000,000 on stock which apparently is worthless; and, further, I should like to know why we make a reimbursement on this particular debenture stock when there are other stocks and bonds which have been taken over by the Canadian National Railway and on which no dividends are being paid. Apparently there is no chance of ever obtaining reimbursement in those cases. I have in mind bonds subscribed by the city of Quebec and issued by the old Quebec and Lake St. John Railway. If my memory serves me right, the city of Quebec, in order to help the construction of a railway into the northern portion of Quebec, subscribed nearly $1,000,000. In return the city received bonds and also a written agreement whereby it was to be given certain favoured treatment with regard to freight rates. Since this road has been taken over by the Canadian National Railways, the management of the national system has seen fit to repudiate the obligations of the original road, and also apparently to repudiate any

obligations under the agreement. No interest is being paid, and there appears to be no chance of any reimbursement. Before voting any money as public charity to people who, after all, are not citizens of this country, I would ask the minister to consider very carefully the claims of our own citizens.

Mr. DUNNING: Perhaps if I had been a little more familiar with the procedure it would not have been necessary for hon. members to ask me for information, but I was under the impression when I last spoke that all that was required was a general statement sufficient to justify the House going immediately into committee on the resolution. I did not give a complete explanation of such a complicated matter at that stage, believing in my ignorance that these matters would naturally arise on the various sections of the resolution itself in the committee stage, and that on that occasion questioning would be much easier for hon. gentlemen than when the Speaker is in the chair. Perhaps I am wrong in that regard; if I am I apologize.

First, as to the rights of bondholders. The assumption on the part of the hon. member (Mr. Church) and my hon. friend from Quebec South (Mr. Power), that this proposal has some charitable aspects, is I am sure entirely wrong. These people have rights. Let us examine what they are. We want to be just but, of course, we want also to conserve the interests of our own people. My hon. friends will agree with me, I think, in that regard. These people have, not shares, not stock, but bonds of the Grand Trunk Pacific Railway Company, bonds apparently never maturing and bearing a rate of interest of four per cent per annum. These bonds are guaranteed in turn by the old Grand Trunk Railway Company of Canada. The Grand Trunk Pacific Railway Company, the original issuer of the bonds, cannot pay the interest, nor has it done so. The old Grand Trunk Railway Company has paid interest only in those years when it has earned sufficient, over and above prior obligations, to be able to pay. The last occasion on which interest was paid under the terms of the bond was in 1924, by reason of the fact that in 1923 the old Grand Trunk had earned sufficient, over and above prior obligations, to make payments of interest to holders of Grand Trunk Pacific securities.

Now, I put it to the committee merely as a business proposition—not as a charitable proposition at all—that it is desirable in the interests of Canada and of the Canadian National Railways to get these perpetual debentures into a better position, a position which will permit the termination of the receivership at present existing in connection with the Grand Trunk Pacific, and which will render our liability in relation to them certain rather than uncertain, as it is at present—a position, furthermore, which looks to the termination of what is at present, and will continue to be, a perpetual lien, unless something of this kind is done.

Mr. BENNETT: When was interest last paid?

Mr. DUNNING: In 1924, as a result of 1923 business of the Grand Trunk Railway Company.

Mr. POWER: Is there any cumulative feature about it?

Mr. DUNNING: No.

Mr. POWER: So that we are not actually under any obligation until the Grand Trunk Pacific has earned enough to pay?

Mr. DUNNING: Not the Grand Trunk Pacific but the Grand Trunk Railway Company.

Mr. CLARK: Has the business of the Grand Trunk Railway Company justified the payment of interest since 1924?

Mr. DUNNING: Certain bondholders allege that it has; we say that it has not.

Mr. CLARK: Are the accounts not kept separately? How did you arrive at the fact in 1924? Is the same system not in vogue to-day?

Mr. DUNNING: Yes, but there is a dispute, as always is the case in such matters, as to whether the proper system is being followed. Naturally those desiring to collect interest make representations to the effect that if some other system were followed a better result would be shown. In matters of interchange of traffic, and so on, it is difficult to get absolutely accurate figures, but the same principle of accounting has been followed in either case.

Mr. CLARK: Was there any dispute in 1924?

Mr. DUNNING: No, not with respect to the earnings of the old Grand Trunk Railway as an entity separate from the rest of the Canadian National System.

Mr. CLARK: In that case the earnings of 1924 must have been much better than they have been since.

Mr. DUNNING: Yes, on that particular part of the Canadian National system which must be considered in determining whether or not the guarantor is in a position to pay interest after taking care of prior obligations.

Mr. CANTLEY: At what rate of discount were the bonds issued?

Mr. DUNNING: I have an historical resumé which I will try to find for the hon. gentleman.

Mr. POWER: Why did not the minister include these bonds in the bill which he asked the House to sanction last year permitting him to purchase certain bonds which had been guaranteed by the government? Is there any difference between these bonds and those referred to in the bill?

Mr. DUNNING: Had the legislation which I introduced last year been enacted it would have included provision for just such cases as this, but that legislation was not passed.

Mr. CHURCH: A royal commission investigated this matter and made a report to parliament with reference to the shareholders of the Grand Trunk Pacific Railway. The members of that commission were the hon. member for West York (Sir Henry Drayton), Mr. Acworth, and Mr. Smith, then president of the New York Central Railway. A receivership was established for the Grand Trunk Pacific and an application was submitted to the commission by the four per cent debenture holders of the system, and the commission made a report touching this particular situation. If I remember rightly, they made no recommendation in favour of these people inasmuch as they had been foreclosed.

Mr. DUNNING: They never were foreclosed.

Mr. CHURCH: Are you going to give this particular class of shareholders preferential treatment now?

Mr. POWER: Why was this matter not referred to the Exchequer court? If the debenture holders have a legal claim, they might, by appealing to the Exchequer court, have the whole question discussed and a remedy applied. From what the minister tells us, I think perhaps in equity there may be something to be said for these shareholders, but I see very little to be said in their favour in law. It is unfortunate that these people should lose money, but other people throughout Canada have lost money on other occasions and we have never voted fifty million dollars to pay them.

Mr. DUNNING: I have not yet made myself clear. There is no legal question involved. The rights of the bondholders are not in dispute at all; those rights are clear.

Mr. POWER: Their rights to dividends are in dispute.

Mr. DUNNING: Their rights to dividends are not in dispute, provided the conditions precedent to the payment of dividends are complied with.

Mr. POWER: Then it is only a question of fact: can the Grand Trunk Railway Company pay dividends on their earnings or not? That ought to be established elsewhere than in the House of Commons.

Mr. DUNNING: In any year in which the Grand Trunk Railway does earn sufficient to pay interest, in that year interest is paid. And that will be the case in future. If we do not pass this legislation the four per cent payment is due these bondholders in any year in which the old Grand Trunk lines earn that much over and above prior obligations. That will continue to be the position unless some other arrangement is made. We are however adopting the position that we can best solve the matter by agreeing to pay four per cent every year, two per cent of which will go into the sinking fund for the redemption of principal under the conditions which will be outlined in detail in the bill when the scheme of arrangement is before the House. We think it better, from the point of view of Canada, to agree to pay four per cent every year, two per cent of which will go into that sinking fund for the redemption of principal, rather than to place ourselves in the position of having perhaps to pay four per cent in any year in which the Grand Trunk may earn sufficient to make that possible. It is a purely business negotiation, not a legal matter.

Mr. POWER: Is the minister optimist enough to think they will be able to pay four per cent?

Mr. DUNNING: My hon. friend forgets that the Grand Trunk did earn this interest in 1923.

Mr. BENNETT: It did last year too.

Mr. WOODSWORTH: I should like the minister to state whether, in view of the financial situation of this road at present, it is probable that it will be able to pay in the near future.

Mr. DUNNING: The old Grand Trunk?

Mr. WOODSWORTH: Yes.

Mr. DUNNING: Yes.

Mr. CHURCH: I have here the report of the Drayton-Acworth commission and I wish to make a short quotation from it. It deals with the finding of the commission in regard to this particular application. The report says:

Our inquiry has fully satisfied us that the Grand Trunk management was content at the time with the arrangement made; that it deliberately took its business chances, and proceeded with the undertaking. On the evidence there is nothing whatever to justify any charge of lack of fairness or good faith on the part of the government in its dealings with the company. We have no hesitation in saying that, neither legally nor morally, have the promoters or shareholders of the Grand Trunk Pacific Company any basis for a claim that the country shall make good the Grand Trunk's mistaken investment in the Grand Trunk Pacific. Any aid given to them must be looked upon not as a matter of obligation but as spontaneous bounty.

The question is really so left by the Grand Trunk officials themselves. The record reads (page 176), as follows:

"Sir Henry Drayton: Doesn't it really come down to this, that the statements in your letter mean that in your view, in order to protect the finances of the Grand Trunk, and as a corollary to protect the finances of the country, the government ought to relieve the Grand Trunk in regard to its investment; isn't that the whole thing?

Mr. Chamberlin: That is the whole thing.

Sir Henry Drayton: There is nothing else to it?

Mr. Chamberlin: Nothing else."

There is the finding of the commission that was appointed to investigate this particular application.

Mr. DUNNING: My hon. friend is quite wrong. That is not dealing with the same matter at all but with an entirely different matter.

Mr. CHURCH: It is not a different matter. It is this particular application, and it is all set out in the proceedings from which I have quoted. The commission were asked for this very relief and they would not give it.

Mr. DUNNING: Unless the committee is to get a wrong impression may I explain that the quotation which my hon. friend has just read has not the remotest bearing upon the matter which is now before the House. The report of the commission from which my hon. friend has just quoted has to do with the rights of the shareholders of the old Grand Trunk. I am not now proposing, nor do I expect to propose, any measure of relief for the shareholders of the Grand Trunk. The shareholders! This proposal has to do with the people who hold an absolute security in their hands—bonds, not shares at all. My hon. friend is quoting what relates solely to the shareholders' interests in the old Grand Trunk.

Mr. BENNETT: I am quite certain that my hon. friend is under a misapprehension.

Some hon. MEMBERS: Louder.

Mr. BENNETT: I was saying that my hon. friend was under a misapprehension. The four per cent perpetual debenture stock of the Grand Trunk Pacific was placed on the London market, and the prospectus that was issued referred to the relationship between the company and the government. The stock was bought by investors believing—in many instances they believed, and they say they have established that at least—that it practically carried the guarantee of the government of Canada. Such was not the case. Canada did not guarantee this stock; it was four per cent stock guaranteed by the Grand Trunk Railway Company of Canada.

Mr. DUNNING: That is right.

Mr. BENNETT: That is the thing to remember. The Grand Trunk Pacific could not pay the interest, as it did not earn sufficient. The Grand Trunk Railway Company of Canada was then called upon to pay this interest. They responded that they had not in particular years earned sufficient money to pay the interest upon the prior securities and the interest upon these as well. The result was that there was default in the payment of interest upon this perpetual four per cent debenture stock. There being default in the payment of interest the holders of this stock have always complained that the people of Canada should have paid it.

Mr. DUNNING: That is right.

Mr. BENNETT: Successive governments of Canada took the position that they were not responsible for payment, and so have declined to pay the interest. But in 1923 the Grand Trunk Railway Company of Canada, after paying the interest upon its securities having priority over these other guaranteed securities, was called upon, out of its earnings, to pay the interest because it had earned it. The difficulty since then has been this: Vast sums of money have been spent on the Grand Trunk railways; very large sums in equipment, in improvement of road beds, and matters of that kind; and the separation of the accounts inter-departmentally, the separation of earnings in the Grand Trunk, the Grand Trunk western, the Canadian Northern and the various branches of the Canadian

Northern, and the various branches of the Grand Trunk Railway Company of Canada has made it practically almost impossible for the Grand Trunk Railway Company of Canada, now a part of the Canadian National railway system, to say it has not earned the money. Under those circumstances the holders of the debentures constituted a committee of very powerful bankers in England and they were prepared on the advice of counsel to have the accounts of the Grand Trunk Railway Company of Canada examined for the purpose of proving conclusively that the railroad had earned the money. That was their position, and they contend now that the railway company earned money during the years 1924, 1925 and 1926 to enable it to pay these guarantees. Eighty-five per cent or more of these debenture holders, represented in England by eminent bankers, negotiated with the Canadian National railway system and reached a conclusion, a conclusion which is embodied in the resolution now before the House. Under the terms of that resolution the Canadian National Railway System in this country will pay, not four but two per cent per annum upon this four per cent perputual debenture stock thus saving two per cent. The other two per cent is to be paid into a sinking fund so as to amortize or pay off within a period of fifty years this entire obligation.

Mr. DUNNING: Thirty years.

Mr. BENNETT: It will never take fifty years of course. The result is that we have removed a sore spot from financial circles in England which is of some importance to this country. But above that we have made it possible to operate the Canadian National system as a whole and are not forced to try to maintain the different accounts that would have to be maintained in order to ascertain just what earnings of the Grand Trunk Railway Company of Canada might be made applicable to this particular guarantee. That position will be cured, that difficulty overcome, and there is the further advantage that this arrangement has been approved by eminent men in the financial world in England who had to do with it as one that was calculated to be first of all in the interest of the railway system, secondly in the interest of the debenture holders, and lastly in the interest of this country, as removing a grievance that the four per cent debenture holders in England have asserted continuously for a period of twelve years in the financial journals of London. That is the position. That is the reason the resolution is in the form it is, and certainly I have no difficulty in bringing my mind to the firm conclusion that it should be supported by the House, as I did several months ago when it met with the approval of the Governor in Council, which had to be given at that time to close it out in order that it might be submitted to parliament by the government of the day, whatever government that might be, and legislation embodying the arrangement enacted by this House.

Mr. DENIS (Joliette): Is the hon. member in a position to tell the committee the market value of those bonds prior to the 26th August, 1926?

Mr. BENNETT: I have not the figures before me. They are rated on the stock exchange in London. I know however, that a two per cent bond secured with an amortization clause of two per cent does not enhance the value of that security, except that it gives a measure of certainty to it when there was a measure of uncertainty which would have involved the Canadian National system in litigation in respect to keeping accounts and showing in detail what might be available for the purpose of meeting this guarantee.

Mr. DUNNING: The question raised by the hon. member is of course a question which must be considered in all these cases whether, as a result of these negotiations, speculative features were introduced which might have resulted in profits to individuals who happened to know of the arrangement earlier than other individuals. In connection with this particular case the nature of the arrangement, if examined by anyone at all independently, will reveal that such a result was not possible, and moreover the market prices of the stock before and after the arrangement became public are a clear indication of what the position is in that regard. If my memory serves me aright, I can assure my hon. friend that the prices at that time ranged between 60 and 70 cents on the dollar. I have not the day-to-day prices before me. A very representative committee of bond holders was negotiating the matter and negotiating it in public. The question was dealt with in every issue of the financial newspapers for the past two or three years.

Mr. BENNETT: It was sold down as low as 47 per cent.

Mr. DUNNING: I think that was the low point. That was when their hopes were the very lowest. The point I was about to make is this: the fact that 85 per cent—and the last cable from London indicates it as more than 90 per cent—of the bondholders, immediately after the terms became public, consented

to the arrangement, is evidence that there was no great amount of the stock floating around for speculative purposes, but that they were holding on in the hope of making some reasonable arrangement.

Mr. LAVIGUEUR: The debate that is going on just now is very interesting to members from Quebec. The minister states that there is no direct legal obligation to take up this stock. For the past ten years we have been vindicating the right of the city of Quebec. We asked the late government —and we had the approval of our party at that time as we have it to-day—to reimburse the citizens and the city of Quebec for the amount subscribed for the construction of certain parts of the Canadian Northern railway and the Lake St. John railway for which the citizens and the city of Quebec had subscribed more than $650,000, and moreover had for certain considerations handed over very valuable properties to the government. We were always met with refusals, being told that there were no legal obligations to take up the bonds of the city of Quebec, subscribed by the citizens of Quebec. To-day however, although we are told that there is no direct legal agreement, we are asked to vote an amount of $35,000,000 to take up bonds which, as stated by my colleague the hon. member for Quebec South (Mr. Power) a few minutes ago, belong to outsiders, to strangers. The bonds subscribed by the citizens and the city of Quebec are an obligation on this government, and if we take up outside bonds I do not see why at the same time we should not include bonds subscribed by the citizens and the city of Quebec.

Mr. DUNNING: I understand the situation of the city of Quebec to which my hon. friend and the hon. member for Quebec South referred to be not exactly as he stated. He again falls into the error the hon. member for Toronto Northwest (Mr. Church) fell into in confusing stocks and bonds. In the case of the city of Quebec they own stock in one of the companies now comprised in the Canadian National system, namely, the Quebec and Lake St. John railway. I believe that is the case to which my hon. friend refers.

Mr. POWER: Both stock and bonds.

Mr. DUNNING: Whatever legal rights any citizens of Quebec may have with respect to any bonds which they hold secured upon any part of the Canadian National system, they have just the same right as these other bondholders. But as regards the ownership of shares they are again precisely in the same position as the junior shareholders of the Grand Trunk; that is to say, they cannot get anything unless the property of which they are shareholders earns something. There is no other way.

Mr. POWER: That is to say the bondholders in the old Quebec and Lake St. John railway may at some time obtain the interest on their bonds if that portion of the railway pays.

Mr. DUNNING: My hon. friend is a very good lawyer himself and he knows that would depend entirely upon the term of the bond and the term of the mortgage upon which the bond is placed. That is a purely legal question that my hon. friend knows better than I do.

Mr. POWER: The minister said that we were in exactly the same position as the bondholders of the Grand Trunk Pacific railway.

Mr. DUNNING: In principle.

Mr. POWER: I understand we are trying to make a bargain with the bondholders whereby, instead of waiting to find out whether or not the Grand Trunk will ever earn enough to pay the interest on these bonds, we are simply saying that we have hopes in the future of the country; that we think the Grand Trunk will some day make enough money to pay this interest, and we decide we are going to do it ourselves.

Mr. LAPOINTE: It does.

Mr. POWER: If it does, what is the necessity of this legislation? The Minister of Justice does not understand the situation any more than I do.

Mr. LAPOINTE: His understanding seems to be very small.

Mr. POWER: I think I will explain to the minister I know more about it than he does.

Mr. DUNNING: Perhaps my hon. friend would let me answer the question.

Mr. POWER: I want to answer the Minister of Justice first and then I will answer the Minister of Railways. The minister has just stated the Grand Trunk earns enough to pay the interest on these bonds. If that is so, why come before parliament for legislation authorizing the payment of the interest? If it is not so, then we are anticipating the time when the Grand Trunk will pay the interest and we say, in order to save a little money, two per cent, we have such faith in

the future of the railroad that we are going to pay the interest in advance. At the present time we are not making money on the road and so we do not have to pay the interest. The bonds remain there. Some day in the future, maybe a hundred years hence, we shall be able to pay the interest. Why not wait those hundred years? Why should we not wait for the bull to come to us before we take him by the horns?

Mr. DUNNING: Principally because the bull is here now.

Mr. POWER: If he is here, why the legislation? I have not understood yet why we have the legislation if we can do it without it.

Mr. COOTE: Would the minister be good enough to tell us in how many years the Grand Trunk has failed to pay this interest? I understood him to say that they paid it in 1924. In how many years did they fail to pay it?

Mr. DUNNING: I think 1924 was the only year since 1915 in which the interest was paid. I will get the exact information for my hon. friend in a few moments, because I want to be sure I am right, and the whole history of this matter is rather complicated. My impression is, however, that 1915 was the last year in which interest was paid up until 1924, and it has not been paid since 1924.

Mr. COOTE: My reason for asking the question is that it seems to me the information would help us to determine whether this stock is of any value or not. If interest had been paid at four per cent in only one year out of ten, that would seem to be an indication that the agreement to pay two per cent every year is very much in the interests of the bondholders, rather than in the interests of the National Railways and of this country. In addition to that, the minister says that there will be a great saving effected in the matter of bookkeeping. I presume there would be some saving there, and I suppose the minister has some idea of what that saving would amount to. Possibly he would inform the committee on that point. If we had that information it might help us to determine whether or not this agreement would be in the interests of the country.

Mr. DUNNING: With reference to my hon. friend's first question, I must confess that it embarrasses me, and for this reason: If I advance facts to prove that the old Grand Trunk Railway Company of Canada is likely to earn this four per cent every year in the future, then I am saying to the old country bondholders that this arrangement takes away from them two per cent per annum to which they are entitled. If on the other hand I do not state that, then my hon. friend and those who sympathize with his view will say that it is not a good deal from the point of view of the Dominion of Canada. Our best judgment has been exercised upon this question; we believe the future will demonstrate that it is a good deal so far as the Dominion is concerned and a fair deal from the point of view of the bondholders. Further than that I do not want to go, and I would ask my hon. friend not to press me for a definite statement as to the basis of calculation with respect to future earnings.

Mr. COOTE: It seems to me the minister is imputing to me an entirely wrong motive. I think anyone would agree that the two questions which I asked were merely for information to enable me as a member of this committee to try and determine whether this agreement was in the interests of Canada or not. If I have got a correct understanding of the last remark the minister made, he simply wants us to believe that in his opinion this is a good agreement, and therefore we should swallow it.

Mr. DUNNING: That is unfair.

Mr. COOTE: It is unfair if we cannot ask questions without having the minister assume that attitude.

Mr. DUNNING: I had no intention whatever of assuming any attitude of reflection. I was merely pointing out the embarrassing position in which the minister is placed, in the very nature of things, in negotiations of this kind. I had no intention at all of reflecting on my hon. friend or on his motives. But it is a simple fact that if I answer my hon. friend by stating that we are reasonably sure the old Grand Trunk will from now on earn the four per cent called for by the existing debentures, then I am serving notice on the bondholders in the old country and elsewhere that the deal which they have agreed to takes away from them two per cent of the interest to which they would have been entitled had they kept their original bonds. I do not propose to make any such statement. But I can say, having examined the whole matter very carefully, with more care than I have given to any other financial transaction, that I am satisfied it is better for the Dominion of Canada to issue these new bonds than it is to retain the old bonds and the obligations under them. I simply ask my hon. friend to accept that assurance; or he can get from me, otherwise than publicly, facts and figures which I feel sure will convince him that I am right in that regard.

Mr. POWER: It all boils down to this, that we have not before us information sufficient for us to give a judgment on this matter, but we have the word of the Minister of Railways that in his opinion this is a good transaction for the country. I quite understand the nature of his dilemma, and in so far as I am concerned I am prepared to accept his word and will make no further objection. I will go further and say that I am prepared to tell those outside who do not know the minister as well as I do that they should accept his word for it whether they believe it or not.

Mr. GARDINER: What is the total amount involved in this transaction?

Mr. DUNNING: The total is £7,176,801, of which £3,000,000 is held by the Dominion treasury at the present time.

Mr. CARMICHAEL: Provided there is a period of great development in Canada and that this railway company should have increased earnings in the future, is there any possibility of the bondholders coming back on the country for increased payments in view of the increased earnings of the road?

Mr. DUNNING: Ninety per cent of the bondholders have voted to accept this arrangement, have voted to accept a new bond the terms and conditions of which will be set out just as exactly as were the terms and conditions of the old bonds, and the rights of the bondholders will be restricted absolutely to the terms of the bond itself, just as they are in the case of the bonds we are now endeavouring to retire. There will be no question of any further claim with respect to these particular bonds.

Mr. SPENCER: Can the ninety per cent of the bondholders speak for one hundred per cent, or will there still be a liability with respect to the other ten per cent?

Mr. DUNNING: The legislation which I hope to introduce based on this resolution, and which by the way will explain a great many of the questions that I know are in the minds of many members of the committee, contains a provision whereby the acceptance by seventy-five per cent of the bondholders makes the agreement binding upon the one hundred per cent. That is in conformity with the general practice in the old country in that regard, and is well understood by the people interested. We are fortunate, however, in having ninety per cent in favour of the agreement, which is about the maximum we could expect, because there is bound to be a percentage of the bondholders who have disappeared in various ways and cannot now be found.

Mr. WOODSWORTH: Do I understand that, according to law, if seventy-five per cent of the bondholders assent to this arrangement it is binding upon the other twenty-five per cent?

Mr. DUNNING: That will be one of the provisions of the bill when it comes before the House, but for the information of the committee I may say that we already have assent from ninety per cent to the proposed arrangement.

Mr. WOODSWORTH: I do not quite understand. Is there some manner by which the other twenty-five per cent can be coerced into accepting a measure of this character?

Mr. DUNNING: If my hon. friend will await the terms of the arrangement itself, the details as to how that is to be carried out will make that matter more clear to him than I can do at the moment.

Mr. GUTHRIE: I think the total amount of the issue was £10,176,000, of which the government held £3,000,000 and the balance, £7,000,000, is outstanding. The minister said the total was £7,000,000, of which the government held three, so that there would be only £4,000,000 outstanding.

Mr. DUNNING: My hon. friend is correct; I used the wrong figures. I should have said that £7,176,000 was the amount now outstanding, and that in addition to that £3,000,000 are held by the Dominion treasury.

Mr. KELLNER: Did the Grand Trunk arbitration, appointed in 1918, make a return of the value of these securities?

Mr. DUNNING: No, the matter was not directly before that tribunal, which was dealing with the value of the Grand Trunk Railway Company of Canada. These bonds represented one of that company's liabilities. The bonds are not an asset of that company but a liability, and I have not any doubt the liability was taken into account by the investigators who were endeavouring to arrive at a proper value for the Grand Trunk property.

Resolution reported, read the second time and concurred in. Mr. Dunning thereupon moved for leave to introduce Bill No. 57, respecting the Grand Trunk Pacific Railway Company and respecting the Canadian National Railways.

Motion agreed to and bill read the first time.

Mr. DUNNING: I understand the bills are not distributed. If I could move along tomorrow with the second reading it would be quite satisfactory.

Mr. GUTHRIE: It would be satisfactory so far as we are concerned.

SOLDIER SETTLEMENT ACT, 1919, AMENDMENT

Hon. ROBERT FORKE (Minister of Immigration) moved that the House go into committee at the next sitting to consider a proposed resolution with respect to revaluation of soldier settler lands.

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

Motion agreed to.

OLD AGE PENSIONS

Hon. PETER HEENAN (Minister of Labour) moved that the House go into committee at the next sitting to consider a proposed resolution with respect to old age pensions.

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

Mr. GUTHRIE: Would the Minister of Labour inform us whether there is any change in the proposal as set out in the resolution from the bill which was before parliament last year?

Mr. HEENAN: It is identically the same bill.

Motion agreed to.

ROYAL AGRICULTURAL WINTER FAIR ASSOCIATION OF CANADA

Hon. W. R. MOTHERWELL (Minister of Agriculture) moved that the House go into committee at the next sitting to consider the granting of financial assistance to the Royal Agricultural Winter Fair Association of Canada, for the purpose of erecting and equipping a building or buildings in the exhibition park at Toronto, to be used to display for public inspection the live stock, agricultural and dairy products of Canada.

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

Motion agreed to.

LONG TERM FARM LOANS

Hon. J. A. ROBB (Minister of Finance) moved that the House go into committee at the next sitting to consider the appointment of a board to be known as the Canadian Farm Loan Board for the purpose of issuing farm loan bonds to make long term loans to farmers.

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

Motion agreed to.

DISSOLUTION OF LATE PARLIAMENT

REQUEST FOR CORRESPONDENCE

On the Orders of the Day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, yesterday the hon. leader of the opposition (Mr. Guthrie) requested that—

> —at as early a date as possible all correspondence which took place between the Right Hon. Arthur Meighen and His Excellency the Governor General, then Lord Byng, in June or July last, with reference to the dissolution of the then parliament, and all correspondence which took place between the same persons with reference to the resignation of the Right Hon. Mr. Meighen last autumn; and at the same time and in the same connection all correspondence which took place between the present Prime Minister of Canada and His Excellency the Governor General in the month of June last in regard to the resignation of the then government or in regard to the dissolution of the then parliament—

should be laid on the table of the House. I ought to say to my hon. friend that I have no knowledge of any correspondence that has taken place between the former Governor General, Lord Byng, and Mr. Meighen, either in relation to the formation of the government of which Mr. Meighen was the head or with regard to other matters; nor is there, so far as I am aware, any correspondence of the kind on record in the departments of the government. Communications between the Governor General and the Prime Minister, whether verbal or written, are as a rule regarded as confidential, and in that respect they are not

similar to most communications that pass between heads of departments of state and others.

With respect to the communications between the former Governor General, Lord Byng, and myself with regard to dissolution of parliament last year and as to my resignation at that time, I have personally no desire either to withhold those communications or to lay them on the table of the House; certainly I would not think of publishing them without consulting Lord Byng in the first instance. I shall cable Lord Byng and ascertain whether he is agreeable to having the communications made public; if he is, I am perfectly agreeable. But I would say to my hon. friend that communications of this character, if of any value, generally find their way into volumes of reminiscences and memoirs, and I should think that he and hon. gentlemen opposite would be very glad to have them so appear rather than make their appearance otherwise at too early a date.

I wish to say, however, that if these communications are to be brought down it must be distinctly understood that it is because hon. gentlemen opposite so desire, and not because of any wish on my part to reopen an incident which I am quite content to regard as closed.

Mr. GUTHRIE: Certainly.

ANTI-DUMPING DUTY ON USED PIANOS

On the Orders of the Day:

Mr. JOHN MILLAR (Qu'Appelle): Mr. Speaker, may I ask the Minister of Finance the following questions:

1. Is a duty being levied under the Anti-Dumping Act on used pianos entering Canada?
2. Under what section of the act is such duty levied?

Mr. SPEAKER: Order. Questions of this nature should be put on the order paper.

CARILLON POWER DEVELOPMENT

On the Orders of the Day:

Hon. HUGH GUTHRIE (Leader of the Opposition): Mr. Speaker, there is one other piece of information I asked for yesterday in the absence of my right hon. friend the leader of the government with regard to copies of all orders in council relative to power development on the Ottawa river at Carillon falls. If I could have those laid on the table it would oblige me very much.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Copies of the orders are being prepared for placing on the table. I hope to have them ready to-morrow.

[Mr. Mackenzie King.]

INDIAN TRIBES OF BRITISH COLUMBIA

On the Orders of the Day:

Hon. H. H. STEVENS (Vancouver Centre): Mr. Speaker, there is a question that I should like to ask the Minister of the Interior (Mr. Stewart), but in his absence perhaps the right hon. Prime Minister will give me his ear for a moment. For many years there has been pending the question of the status of the Indian tribes of British Columbia and their right or title to lands in that province. To my personal knowledge it has been before the public for seventeen years—I was asked to preside at the first meeting when I was acting mayor of Vancouver some seventeen years ago —and it has been pending ever since, without very much warrant in some respects, and at great expense to the Indians. While I have not much sympathy with some of the views entertained by those who are agitating the question, nevertheless I do think it is desirable to satisfy and quiet the Indians in regard to it. I am anxious to co-operate in giving them every opportunity to have the question settled, but I do not think any headway will be made if it is allowed to drift any longer. I do not say this by way of criticism at all, I offer it rather as a suggestion. I would ask the Prime Minister if the government would consider the appointment of a small select committee to hear the representatives of the Indians and give the question study in order to see if we cannot bring it to a conclusion.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I may inform my hon. friend that I have of late been giving some thought to the question of status in our inter-imperial relations, but the status of the Indian tribes of British Columbia is a subject to which I am afraid I have not given the attention that I should like to have been able to devote to it. In the absence of the Minister of the Interior, who has been considering the matter very carefully, I think I had better say to my hon. friend that I will draw his remarks to the attention of the minister and ask the minister to communicate to him the views of the government when he is next in the House.

CANADIAN NATIONAL RAILWAYS

PURCHASE OF ROLLING STOCK IN THE UNITED STATES

On the Orders of the Day:

Hon. R. J. MANION (Fort William): Mr. Speaker, I should like to ask the Minister of Railways (Mr. Dunning) a couple of questions based on an announcement which ap-

peared in the Wall Street News of the 8th instant, as follows:

The Chicago, Burlington & Quincy has ordered 1,000 freight cars, and the Canadian National Railways has placed a similar order with the Pressed Steel Car Company.

Will the Minister of Railways kindly say if that is true? And if it is true, is he aware that there are a number of big plants devoted to the manufacturing of cars idle in this country, including one in my own city, in the activity of which I am naturally interested?

Hon. CHARLES A. DUNNING (Minister of Railways): It is the policy of the Canadian National to have manufactured in Canada all of the equipment for its Canadian lines that can be manufactured in this country, and of necessity they must have a very large portion, if not all, of the equipment for the American lines manufactured in the United States. I have no doubt that the item to which my hon. friend refers relates to some equipment for American lines. In a few moments I hope we shall be in committee of supply on Canadian National estimates for the current year and I will then give detailed information regarding equipment.

Mr. MANION: Will the minister try to have this information either then or tomorrow?

Mr. DUNNING: I may have it by me now.

RULES OF THE HOUSE

SPECIAL COMMITTEE TO CONSIDER REVISION

On the Orders of the Day:

Hon. HUGH GUTHRIE (Leader of the Opposition): There is one more matter to which I desire to call attention: I refer to the revision of the rules of debate in this House. I had an opportunity of a few moments' conversation with my right hon. friend the Prime Minister (Mr. Mackenzie King) in regard to the report made by a committee of the House last year on the question of improving the rules. I want to suggest to my right hon. friend before the session is too far advanced, that another committee be appointed to consider the question with a view to bringing forward some remedy during the present session.

Right Hon. W. L. MACKENZIE KING (Prime Minister): The government is in entire accord with my hon. friend as to the desirability of having the rules considered at an early date. I am informed by the whip on this side that the names of members of the committee, so far as we are concerned, are ready, and he is now waiting to get the names of hon. gentlemen opposite.

Mr. GUTHRIE: On the rules?

Mr. MACKENZIE KING: Yes. We hope to have the motion brought in either tomorrow or the day after.

Mr. SPEAKER: I may add for the information of the House that the rules were revised by a committee two sessions ago. The report was laid on the table but was not considered last year in view of the length of the session. All that the new committee would have to do would be to reconsider the report, which I am sure would be adopted unanimously. The committee at that time was unanimous, and it should not be difficult to rally its members to the support of the committee of 1927.

FRUIT AND VEGETABLE COMBINE

On the Orders of the Day:

Hon. PETER HEENAN (Minister of Labour): The hon. member for Vancouver Centre (Mr. Stevens) the other day requested certain details in connection with expenditures in relation to the fruit and vegetable combine in western Canada and I promised to make a statement on the subject. I now do so.

The situation with respect to the fines imposed in connection with the combine in the distribution of fruit and vegetables in western Canada is as follows. The trial in this case resulted in the conviction of four individuals and four companies. The individuals were sentenced to one day each in jail and to a fine of $25,000 each. The corporations were sentenced to fines of $25,000 each. All of the fines imposed, totalling $200,000, were paid immediately following the trial, and no part of them has since been remitted. The amounts were paid into the British Columbia court and subsequently transferred to the provincial treasury. The federal Department of Justice is negotiating with the provincial attorney general with a view to the transfer of these funds to the Receiver General of the Dominion. The cost of the investigation and the prosecution amounted to $116,724.53, the fines therefore exceeding the cost by $83,275.47. With respect to the expenditure I am laying on the table of the House a detailed statement as promised.

SUPPLY

DEPARTMENT OF RAILWAYS AND CANALS

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

Railways and Canals—Loans to Canadian National Railway Company

Amount not exceeding $31,000,000 to meet expenditures made or indebtedness incurred (where amounts available from net operating income or investments may be insufficient) by or on behalf of the Canadian National Railway Company, herein called "The Company," or any company specified or referred to in chapter 13 of the Statutes of Canada, 1919, and chapter 13 of 1920 or now or hereafter comprised in the Canadian National Railways or by the company in respect of any railways, properties and works entrusted to it from time to time under the provisions of section 11 of chapter 13 of the statutes of Canada, 1919, or any one or more of such companies, on any or all of the following accounts, such expenditures or indebtedness being herein called authorized expenditures:—

(a) Interest on securities, notes and other obligations; rentals for lease of lines;

(b) Equipment principal payments; sinking funds; miscellaneous maturing or matured notes and other obligations secured or unsecured;

(c) Operating income deficit, whenever incurred or ascertained;

(d) Construction and betterments, including co-ordinations; acquisition of real or personal property.

The amount herein authorized may be applied from time to time to meet authorized expenditures, in the discretion of the governor in council:—

(a) In respect of railways, properties and works entrusted to the company as aforesaid;

(b) In respect of railways, properties and works not so entrusted by way of loans in cash, or by way of guarantee, or partly one way and partly the other, subject, however, as follows:—

If by way of loans from His Majesty, the amount or amounts advanced to any one or more of the said companies shall be repayable on demand, with interest payable half-yearly at the rate fixed from time to time by the governor in council, secured if and when directed by the governor in council by mortgage or mortgages upon such properties, in such form and containing such terms and conditions, not inconsistent herewith, as the governor in council may approve.

If by way of loans from persons other than His Majesty (without the guarantee of His Majesty) the amounts, terms and conditions of such loans shall be such as the governor in council may from time to time approve.

If by way of guarantee, any such guarantee may be either a general guarantee covering the total amount of the issue, or by a separate guarantee endorsed on each obligation, and may be of the principal, interest and sinking funds (if any) of the notes, obligations or securities of one or more of the said companies specified by the governor in council, which notes, obligations or securities the companies so specified are hereby authorized to make and issue, and such guarantee may be signed by the minister of finance, or such other person as the governor in council may authorize, on behalf of His Majesty, in such form and on such terms and conditions as the governor in council may determine to be appropriate and applicable thereto. Any guarantee so signed shall be conclusive evidence for all purposes that the provisions of this enactment have been complied with.

Should temporary loans be made or negotiated before the lapse of this appropriation either from His Majesty or other persons, guaranteed notes, obligations or securities may subsequently be issued under the provisions of the preceding paragraph of this enactment to renew, refund or adjust such loans, or any part thereof.

Each company herein mentioned or referred to is hereby authorized to aid and assist, in any manner any other or others of the said companies, and, without limiting the generality of the foregoing, may for its own requirements and also for the requirements of any or all of such other companies from time to time:—

(a) Issue notes, obligations or other securities, joint or several, at discretion, for the purpose of any guarantee made or to be made under the provisions of this enactment;

(b) Apply the proceeds of any such guaranteed issue, or the amount of loans received by virtue of this enactment, in meeting authorized expenditures on its own account or on account of any or all of such other companies;

(c) Make advances for the purpose of meeting authorized expenditures to any or all of such other companies, upon or without any security, at discretion.

No purchaser of such guaranteed notes, securities or obligations shall be under any obligation to inquire into the application of the proceeds of any guaranteed issue.. .. .. ..$31,000,000.

Mr. STEVENS: In his explanation will the minister say whether there is any change in this item?

Hon. CHARLES A. DUNNING (Minister of Railways): That is what I propose to do. Perhaps I should make a general statement to the committee regarding the estimate now under consideration. It is for the Canadian National Railway Company and has relation to the detailed estimates which were examined and reported upon favourably last session by the select standing committee which deals with Canadian National Railways and shipping. Only $10,000,000 of the $31,000,000 was however voted last session, and so we are bringing down the whole vote again on this occasion. There are some changes which I should report to the committee, changes which might require a reference again to the special committee; but in view of the fact that these changes are few in number, possibly the House will be able to deal sufficiently with them in committee of the whole instead of sending them back to the select committee.

The first difference I would call to the attention of the committee is in the wording of the resolution itself. One of the difficulties we had experienced in connection with the former wording was this: whenever temporary loans were made it was impossible, under the wording of the resolution as formerly adopted, to fund these temporary borrowings during

the year in which the authority was operative. On that account the present resolution is altered in that respect. The change will be found in the second paragraph on page 2:

If by way of loans from persons other than His Majesty (without the guarantee of His Majesty) the amounts, terms, and conditions of such loans shall be such as the governor in council may from time to time approve.

And in the next paragraph but one:

Should temporary loans be made or negotiated before the lapse of this appropriation either from His Majesty or other persons, guaranteed notes, obligations, or securities may subsequently be issued under the provisions of the preceding paragraph of this enactment to renew, refund, or adjust such loans, or any part thereof.

The intention is to enable our long term financing to be done at one time during the year instead of having repeated issues. The object is to enable us to fund temporary loans and thus put all our borrowings for one year together into one considerable transaction, if it proves wise to do so, rather than make a number of small loans. There will be a considerable saving of interest by the adoption of the new wording because it will enable the railway to establish short time banking credits for their requirements, afterwards funding them in accordance with the terms of the resolution by the issue of guaranteed securities.

Now with respect to the estimates themselves, there are one or two changes in detail which I might point out.

Last year, as members of the select committee will remember, provision was made for the purchase of $5,000,000 worth of new equipment for the Canadian National system, $1,000,000 to be secured from the Minister of Finance and $4,000,000 from equipment trust securities under the plan which has now been in operation for some time with respect to financing Canadian National railway equipment. Now that the year is nearly over the management of the system find it necessary to increase their equipment very materially, and I am requested to ask the House to make provision for $20,000,000 worth of new equipment instead of $5,000,000 worth. That $20,000,000 would involve an advance of $5,000,000 from the Minister of Finance instead of $1,000,000 as last year. The balance will be provided by equipment trust obligations in the regular manner.

For the benefit of hon. gentlemen I might give particulars as to the new equipment which should be ordered forthwith for the various parts of the system.

Mr. GUTHRIE: Is that the new schedule you have there?

Mr. DUNNING: Yes, I have the new schedule here.

Mr. GUTHRIE: If it is not too long perhaps my hon. friend will read it.

Mr. DUNNING: I was about to do so. On the Grand Trunk Western, that is our western lines, the following equipment is needed:

Grand Trunk Western

12 mountain type locomotives at $75,000	$ 900,000
10 switching locomotives at $40,000	400,000
6 baggage cars at $20,000	120,000
2 combination mail and baggage cars at $24,000	48,000
1,000 automobile cars at $2,100	2,100,000
100 ballast cars at $3,000	300,000
10 air dump cars at $3,000	30,000
20 cabooses at $3,000	60,000
Total	$3,958,000

That makes a total of $3,958,000 for equipment for the Grand Trunk Western.

Mr. ROSS (Kingston): Did the minister say United States equipment?

Mr. DUNNING: I did not say United States equipment. I spoke of the Grand Trunk Western which comprises our United States lines.

Mr. ROSS (Kingston): That is what I meant.

Mr. DUNNING: Yes, the United States lines.

Mr. ROSS (Kingston): That means that the equipment will be bought in the United States.

Mr. DUNNING: I think all of it. We must do that under the relations that exist between the two countries regarding tariffs, the regulations of the Interstate Commerce Commission, and all that sort of thing.

Mr. ROSS (Kingston): I do not like to interrupt the minister but I must point out that the United States company operating railways in Canada do not have any of their equipment made here.

Mr. DUNNING: If my hon. friend can suggest a means whereby we can get some of the work for our United States lines done in Canada we will be very happy to give consideration to it.

Mr. ROSS (Kingston): I should have thought that was a matter for the authorities, for the railway management or the government.

Mr. DUNNING: It must be remembered also, in fairness to the United States, that we make money operating a railroad there.

United States traffic will pay interest on this equipment which we are purchasing for the lines over there. In fairness we should say that.

Mr. BENNETT: Are we going to guarantee equipment trust issues?

Mr. DUNNING: Not at all. Perhaps I should qualify that by saying that all equipment trust issues are made on the basis that $1,000,000 of cash must be provided for $5,000,000 of equipment. So the proportion of one to five would hold in the case of this $3,958,000.

Mr. BENNETT: Twenty per cent must be put up in cash?

Mr. DUNNING: Yes, but there is no government guarantee of the balance.

Mr. CANTLEY: What is the rate of interest?

Mr. DUNNING: On the last issue four and a half per cent.

Now I presume my hon. friends wish the whole list placed on Hansard for the sake of convenience. The Central Vermont railway, which is another United States line controlled and operated by the Canadian National Railways—

Mr. BENNETT: And which is losing money.

Mr. DUNNING: Which is losing money, as my hon. friend states.

Mr. BENNETT: For which the Canadian people are paying.

Mr. DUNNING: For which the Canadian people are paying. I will not get into a party controversy with my hon. friend, but certain suggestions are emanating from the Minister of Finance just now as to the responsibility for taking over that railway.

Mr. BENNETT: We had the responsibility for the whole railway mess in this country placed this afternoon upon the late Liberal government. The legacy we are taking care of was bequeathed by them and the Minister of Finance knows it.

Mr. DUNNING: I do hope that we need not, in considering these business matters, get into a political controversy. My hon. friend well knows there is a very effective answer to the remarks he has just made, and I do not doubt that he could come back again. In the meantime, however, the business of the railway would not be under consideration by this committee.

[Mr. Dunning.]

Mr. BENNETT: The answer to my statement has not yet been discovered.

Mr. DUNNING: To resume:

Central Vermont Railway

4 mountain type locomotives at $65,000.	$260,000
2 gas electric motor cars and trailers.	115,000
2 gas electric motor cars and trailers.	115,000
15 milk cars at $5,000	75,000
Total	$565,000

So that for the Central Vermont railway we require $565,000 for railway equipment.

Mr. ROSS (Kingston): That equipment will be built in the United States.

Mr. DUNNING: Yes.

Mr. ROSS (Kingston): For which we are paying as in the case of the other line.

Mr. DUNNING: Perhaps my hon. friend would wait until the main estimates are down before he comes to the conclusion that Canada is going to pay for all of this equipment. I gave a very plain statement a year ago as to the position of the Central Vermont in relation to the whole system. It would be unfair to make an extreme statement either way. It is true the railway is losing money, but not to the extent which involves payment by us of the whole of an amount of this character. Now let me take the Canadian lines:

Canadian Lines

20 mountain type locomotives at $85,000	$ 1,700,000
20 Mikado type locomotives at $75,000	1,500,000
1 electric locomotive at $70,000	70,000
25 first-class cars at $34,000	850,000
12 baggage cars at $25,000	300,000
13 dining cars at $47,500	617,500
5 compartment-observation cars at $50,000	250,000
4 combination baggage and second-class cars at $33,000	132,000
30 sleeping cars at $47,083	1,412,490
20 sleeping cars at $47,083	941,660
50 express refrigerator cars at $10,000	500,000
60 freight refrigerator cars at $4,900	294,000
200 freight refrigerator cars at $4,900	980,000
40 tank cars at $3,700	148,000
800 automobile cars at $2,400	1,920,000
1,000 box cars at $2,700	2,700,000
50 cabooses at $3,000	150,000
1 rotary snow plough	61,500
20 wing snow ploughs at $10,000	200,000
Total	$14,727,150

That is $14,727,150 of equipment for Canadian lines, as against $3,958,000 plus $565,000 on American lines. There is sales tax in connection with the Canadian equipment

amounting to $736,357 which brings the total cost of the equipment required for Canadian lines to $15,463,507, or a total of $19,986,000, approximately, the amount stated.

Mr. MANION: I should like to ask the minister a question in regard to the inquiry I made on the orders of the day. There is only one item in the list he has read that covers the item, if it was correct, which I read from the Wall Street News, and that was 1,000 steel cars or box cars. The only item of 1,000 cars mentioned in the list given by the minister just now is 1,000 for Canadian equipment, and this statement which I read says that an order had been given by the Canadian National Railways to a United States company for 1,000 steel cars on the United States side. There was nothing of that sort in the United States equipment the minister mentioned.

Mr. DUNNING: One thousand automobile cars.

Mr. MANION: It is possible that covers it. I took it to be box cars.

Mr. DUNNING: It is, of course, practically a box car.

Mr. MANION: That may be the item. Would the minister do me the favour of looking into the question and seeing if it is correct? I presume he has not the information with him at the moment but he can give me an explanation later.

Mr. DUNNING: This is the complete statement of the proposed equipment orders of the Canadian National Railways, and in itself is a complete check against any newspaper statement. I hope my hon. friend will not ask me to go inquiring if this or that newspaper statement is correct when in to-morrow's Hansard he will have exactly what the Canadian National proposes to do.

Mr. MANION: While that will be in Hansard, there is just this brief sentence in this paper and if the minister could instruct his secretary or whoever he wishes to have this checked up, it would not be very much trouble to him and we would be sure of it. I do not question this item at all but I wish to know the facts in regard to the matter. If it turns out to be as the minister states it is, I have no special criticism of it, but I should like to know that, in view of the fact that a number of immense plants on the Canadian side are idle.

Mr. DUNNING: We will have it checked up, although I thought, as my hon. friend is not quite as busy as I am—though he will be later—he might make a comparison in Hansard himself.

Mr. MANION: While my hon. friend is a very busy man, he is a hard worker and I am sure he will do this for me.

Mr. DUNNING: I will attend to it.

Mr. BENNETT: The question of providing money for equipment is one of the most important in connection with the operation of a railway. If this railway is not setting up any reserve, as was the custom with railways in days gone by, the result will be that we are merely confusing the whole situation. I remember at an annual meeting of the Canadian Pacific Railway Company the president of the company told the shareholders that the Canadian Pacific made it a rule out of earnings to provide a new car for every one that was worn out in service. Whether or not that is being done depends upon the system of accounting that prevails on this road. It is difficult to think that this system, after having spent the enormous millions that we did a few years ago for equipment, should now come back asking for $15,000,000 more if we have been putting aside reserves year after year to take care of the equipment that has become worn out in service. That is the position to which attention should be directed, because after all in the long run the country has to provide the money one way or the other. If there are any deficits, those deficits must be provided by the country. If we are being misled into the belief that we are making money when we are not, that is something that should be attended to without delay. If this equipment is being worn out and no adequate reserves set up to provide for the replacement of a worn out car with a new one, the system that prevails is not right. That is all that can be said about it. The matter perhaps can be more fully developed when we have an opportunity of examining the accounting system of the road.

Hon. members in past years complained very bitterly of the expenditures made on the Canadian National to provide equipment. This amounted not to $15,000,000 but to many more millions of dollars. I do not have the exact figures in my mind at the moment. Enormous sums of money were spent on new equipment and if adequate reserves were set up to provide against wear and tear, depreciation of these cars from time to time, there should be a substantial fund to take care of the replacement of worn-out equipment with new. In that way it would not be necessary to commit us to the spending of further sums of money without any relation to reserves as we are being asked to do to-day. The answer my hon. friend makes is that Canada is not guaranteeing these equipment securities;

but on the other hand the money has to be found for these equipment securities and the result will be that at the end of the year if the obligation is met, there is that much less money with which to pay the interest upon the fixed charges of the system. That matter should be very carefully inquired into, and I suppose when we have occasion to investigate before a committee of the House the system of accounting that prevails on the road, an opportunity will be given for such an inquiry.

Mr. DUNNING: I am sure that the system of replacing car for car does prevail, with the exception that if the new equipment is twice as large as the old, one might replace two, and as regards locomotives, the tractive power is of course the basis of comparison. My hon. friend's observations give me the opportunity again to emphasize the value, in connection with an enterprise of such wide ramifications as the Canadian National Railways, of the small committee which it has been the custom of the House in recent years to appoint for the purpose of examining the officers of the system itself regarding all of those matters of finance, accounting, operation and so forth. By means of that special committee inquiry may be made in less formal manner than is possible in the House itself. Very shortly I hope to propose again to the House that a select standing committee be appointed to deal with matters affecting the Canadian National railways and shipping. As was the case last session I intend to propose to that committee, that we again permit any member who so desires to bring any special matter before the committee or, through the committee, before the management or any of the officers of the road. The committee should, and I hope will, extend that privilege to all members.

I have satisfied myself that this equipment is or will all be vitally necessary by the time it can be delivered from the various plants and work shops which will be engaged in the production of it. I would like the committee to understand that this proposal does not involve an increase in the aggregate of the Canadian National vote proposed at the last session; but because of the situation developing more favourably than was then expected we are able to provide for investment in this new equipment without asking the House for any more money than that of which the House voted a third one year ago.

Mr. MATTHEWS: May I ask what is to be the term of the equipment trust bonds, and whether they will be issued in the usual serial form, maturing year by year? The usual term I think is ten or fifteen years. These equipment trust bonds have been regarded as a very high grade security, and have always commanded very high prices in the market. If these bonds are to be issued in that form, it seems to me that the question raised a moment ago is answered.

Mr. DUNNING: That is correct. The usual term of equipment trust securities is fifteen to twenty years. They are always issued in serial form, which means that a proportion of the principal is retired, and must be retired, each year out of earnings.

Mr. CANTLEY: There are surely no equipment trust bonds for a term as long as twenty years.

Mr. DUNNING: We are using the fifteen year term.

Mr. GEARY: Did I understand the minister to say that the Canadian National Railways set up a depreciation reserve year by year to cover the cost of property used up in the company's service?

Mr. DUNNING: Every year a proportion of the loan made for the original purchase of a car is retired out of earnings. That of itself constitutes, of course, a depreciation which is equivalent to the wiping out of the whole cost of the car within fifteen years from the issuance of the obligation.

Mr. GEARY: That is fifteen per cent of your book cost every year?

Mr. DUNNING: Is my hon. friend referring to cars not purchased under the equipment trust system?

Mr. GEARY: Yes.

Mr. DUNNING: In the case of cars not purchased under the equipment trust system, every one which goes out of service is replaced by its equivalent out of earnings.

Mr. GEARY: There is no depreciation fund set up for that.

Mr. SPENCER: The minister in giving us a list of the equipment for the Grand Trunk western lines said that they would need a certain number of the mountain type locomotives, and I believe he gave the price as $75,000 each. Later on he gave us a list of the equipment needed by the Canadian National lines, and as far as I could hear, I gathered that the price for a similar type of locomotive was in that case $85,000.

Mr. DUNNING: That is correct.

Mr. SPENCER: The first mentioned locomotives were being made in the United States, and the others would be made in Canada. I would like to ask why there is this difference of $10,000 for a similar type of locomotive?

Mr. DUNNING: The figures in each case are merely estimated, and while the words "mountain type" are used, that should not be taken to signify that the locomotives are identical, for you may have a twenty-five per cent, a fifty per cent, or a sixty-five per cent mountain type locomotive. It is simply a question of type. I am not able to say at the moment whether identically the same locomotive can be purchased cheaper in the United States than in Canada, but I shall be glad to get that information. My deputy informs me that they are cheaper in the United States.

Mr. BENNETT: The locomotives are $10,000 cheaper in the United States.

Mr. DUNNING: I was just answering the question and pointing out that the use of the words "mountain type" does not necessarily indicate identically the same locomotive.

Mr. HANSON: I understand that all the new rolling stock that is being used on the through expresses, such as the Ocean Limited has been purchased with money derived from the sale of equipment trust bonds. Is it the practice of the Canadian National Railways to charge against the government system—I would speak of it as the old Intercolonial—an annual or a per diem rental for the equipment used by that road, and is that a factor in the annual deficit shown on the Intercolonial? My reason for asking that is this, that the Ocean Limited and other through expresses are equipped with the so-called 6,000 type of engine, and I have been informed that the Canadian National Railway Company charges for the use of those engines a rental said to be as high as $175 a day. If that be the case, I can well understand how they will run up a very large bill against the Intercolonial system every year, and it would never be possible for the earnings to balance the expenditures under that system. If there is nothing in that, I would be glad to have the public know it.

Mr. DUNNING: I am very glad my hon. friend has given me an opportunity to explode that particular fallacy. I am glad to be able to prove that at least one imagined injustice does not exist. With regard to charges of the kind mentioned by my hon. friend for the use of locomotives or of cars, in this division or that, there is one great pool, into which is charged all that type of expense, and each division bears its proportion of that expense, having regard to the mileage of the equipment used in that particular division.

Mr. HANSON: There is a rental charge for the equipment used by the division?

Mr. DUNNING: Yes, and it is the same all over the system.

Mr. HANSON: If that is the case, it is satisfactory.

Mr. DUNNING: It is merely a method of allocating charges properly to the various units of the system, and precisely the same unit basis is used all over the country.

Mr. MILLAR: I do not expect the minister to be in the inner confidence of the American railways as to the policy they are pursuing in Canada, but could he inform the committee whether the American railways in purchasing equipment for that part of their lines operated in Canada adopt the policy of buying any equipment in Canada?

Mr. DUNNING: Only to a limited extent. Naturally we have not precise information as to that, but so far as our information goes, the purchases in Canada are not very heavy. I understand that the Customs department is watching very carefully what the American railways are doing with respect to bringing their equipment into Canada for operating purposes, just as the American customs authorities are watching our railways in that regard. In fairness it should be stated that the Canadian National operates in the United States a far greater mileage of railways than is operated in Canada by all the United States railways put together.

Mr. MATTHEWS: May I ask the minister as to the average life of the equipment that is used on the railways nowadays? Years ago the equipment bonds were issued for a term of ten years. The minister says that he is issuing these bonds for a term of fifteen years, and that in some cases bonds are issued for a twenty year term. The minister will appreciate the fact that it is very important that the securities issued in respect of equipment should mature well within the life of the equipment. That is the only method by which you can have sound financing.

Mr. DUNNING: It is the only sound principle.

Mr. MATTHEWS: Quite so. Then I would ask the minister what is the average life of equipment nowadays; also whether, when these bonds are to be sold, tenders will be called for?

Mr. DUNNING: My hon. friend's first question is a very difficult one to answer because of the transition which is taking place in the type and structure of the equipment used. We might, for instance, be discussing

all steel equipment, or only part steel, or almost wholly wood equipment. If my hon. friend will bear that point in mind when the special committee is sitting, I am sure the officers of the road who are most intimately concerned with this matter will be able to supply the information he wants. The committee I am sure quite understands that I am not a railroad man. Such knowledge as I have of these matters has been acquired as a result of study in my capacity as minister, and it would not be difficult for any member to put questions to me which I cannot at the moment answer.

Perhaps the committee would now allow me to explain another variation from the estimate which was presented a year ago.

Mr. MATTHEWS: Would the bonds be sold by tender?

Mr. DUNNING: The sale was subject to the approval of the Minister of Finance, and I fully expect that tenders will be called for, But in the absence of the Minister of Finance I should not like to give a definite answer.

There is one other change, and it is the last change of any considerable importance in the estimate of last year. There are, of course, in the book of particulars placed before the committee last year many changes of a less vital character, but the important change is the request for authority to commence the extension of the Chateau Laurier, and provision is asked of $2,000,000 to enable a start to be made on that work. The management regards the enlargement of the Chateau Laurier as a matter of good business. I have here some facts in that connection which I will put forward for the consideration of the committee. It is proposed to provide not less than two hundred additional rooms and additional accommodation for banquets, balls and other facilities required of first class hotels. The gross revenue for 1926 was $865,408.38, an increase of $135,534.06 over 1925. In straight operation of the service rendered by the Chateau Laurier during the year a net surplus of approximately $180,000 was obtained. We, however, spent some $30,000 of this surplus in renewal of furnishings and equipment, which should have been spread over the operations of the past five years. Thus we show an actual net in operation of $150,746.83. That operating net, it must be borne in mind, does not include interest on the investment in the property.

Mr. HANSON: Depreciation on the structure?

[Mr. Dunning.]

Mr. DUNNING: Yes. In addition to this, during the first six months of 1926 the Chateau Laurier was filled to capacity 72 nights out of a total of 181; and during this period they were forced to offer some 1,500 guests who had registered at the hotel accommodation in sleeping cars parked at the Union station. Over 1,000 of these guests refused this accommodation and sought rooms elsewhere. There were also hundreds of guests seeking accommodation during this period who did not register when they were informed that the hotel was taxed to capacity.

Another condition existing at Ottawa, which I am informed by the management, has become most acute, is the fact that the Chateau Laurier banquet and ball room space is totally inadequate to take care of large functions, and many of a moderate size that are undertaken are very difficult and costly to handle. As an illustration of what we have had to refuse, in the latter part of December, 1925, and 1926, a party of winter tourists numbering three hundred and fifty, for three or four days, which would have netted the hotel approximately $10,000 to say nothing of additional money brought to the city of Ottawa.

There are other arguments put forward by the management in connection with the proposal, but these are the most vital. The addition of the proposed wings and accommodation asked for, I estimate conservatively, will produce for us an additional revenue of $300,000 per year, with an increased net of approximately $120,000. The management state that they are confident of being able to operate the completed structure with a net surplus sufficient to pay the full interest on the entire investment, from its completion.

Mr. BENNETT: After allowing for depreciation, how much will be invested there?

Mr. DUNNING: I am speaking now without having the actual figures before me. This new addition, together with furnishings and everything, will cost something under $4,000,000. The management has gone into the matter very carefully and very fully, and estimate that they will be able to make an earning on that basis. In the estimates now before the House however we are only asking for $2,000,000 to make a start on the work.

Mr. HANSON: This means an expenditure of $4,000,000.

Mr. CANTLEY: I should like to congratulate the minister on the statement brought down in regard to equipment. I

have not a shadow of doubt that the equipment asked for is required; in fact I think some additional equipment is required by way of general service cars, none of which is provided for in the estimates. But when we come to consider the amount of money to be expended in Canada and the amount being expended in the United States, we find the proposal to be to expend for rolling stock in the United States practically one quarter of the entire amount. I submit that amount is out of all proportion to the Canadian National mileage in the two countries. If the minister will review our experience over a period of the last few years I do not think he will find that the United States lines are expending any considerable portion of money for equipment purchased in this country. In the old days the situation was different. At the time the Michigan Central ran a portion of their line through Ontario they had to and did buy their equipment to a large extent, in fact practically all of it, including spare repair parts, in Canada. We have departed from that system and have allowed the Americans to put one over in that regard, to use a common or slang expression. So far as the purchase of equipment by trust equipment certificates is concerned, if payment of these be limited to a period of ten or even fifteen years they will be practically taken care of. The question has arisen as to the life of steel equipment as compared with the former wooden equipment. Our steel equipment is not at present old enough to enable us to determine just what the life of such equipment is as compared with the life of wooden equipment. I am persuaded that the life of steel equipment is two and a half to three times greater than that of the former wooden equipment. If you fix ten years as the average life of wooden cars you can safely estimate the life of steel cars at twenty or twenty-five years. There is another important matter, as to the loss through collision and through the ordinary handling of freight on trains made up of the wooden equipment five and twenty years ago as compared with the present system. That is an item of very considerable importance and value in operating costs.

In that connection there is a matter I desire to bring to the attention of the minister. On the system we have a very considerable number of Grand Trunk Pacific wooden cars, built fifteen or sixteen years ago. Those cars are a menace to the operation of the railway and should be withdrawn from traffic altogether. I trust he will see to it that no money is spent on repairs to that type of equipment.

Let me call his attention to one other matter. On the service between Sydney and Halifax—

Mr. DUNNING: Will my hon. friend permit me? Apparently he is about to branch into railway management. I hope he understands that under the law I have absolutely no authority with respect to the question that he is now about to mention or with respect to the preceding question that he brought to my attention.

Mr. CANTLEY: I think the minister is anticipating something that I have no intention of saying. I am comparing the type of equipment on the line between Sydney and Halifax with that used on express trains on other divisions of the Canadian National Railway system. We have to put up with wooden equipment that is not in use on any other section of the government railways.

Mr. DUNNING: Will my hon. friend show me wherein this parliament has given either to myself or to the government any authority to decide what type of equipment shall be used on any portion of the Canadian National railway system?

Mr. CANTLEY: I am not dealing with any question of authority at all. I am asking the minister to provide steel passenger and sleeping cars for that service similar to those that he provides for the other branches of the road, and I do not want him to try to evade my request by suggesting that I am developing another line of argument; I am not. Within the last two weeks there was a very serious collision on the Canadian National railway in the maritime provinces, and I can assure him that if the equipment in use between Halifax and Sydney had formed part of either of the express trains involved on that occasion somebody would have had to answer for a large loss of life. I travelled from Sydney to New Glasgow a few nights ago in a car in which it was impossible to hear conversation because of the complaining, screeching and squeaking of the decrepit equipment. That particular sleeping car is I think older than the minister and should have been relegated to the scrap heap long ago.

Mr. DUNNING: Along with the minister.

Mr. CANTLEY: No; the minister is physically all right. I thank him for the explanations he has given in regard to many railway matters this afternoon; indeed, I wish

particularly to compliment him on the very clear exposition which he made an hour or so ago. But I am deadly in earnest in asking him to take into serious consideration the matter of the Sydney-Halifax passenger equipment to which I have just referred.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. CHURCH: The resolution under consideration involves an expenditure of $31,000,000 and if during the coming twelve months the members of this House find that agreements have been made, title deeds given, and rights of way conferred in regard to which they know nothing then they can only blame themselves, because if any hon. gentleman wants information concerning any of these questions or this system, this is the time now to ask for it.

I am a supporter of public ownership but I believe in the right kind of public ownership. I do not want to see public ownership in Canada repudiated because of mistakes made in the administration of our national railway system in regard to either capital or maintenance. The Minister of Railways (Mr. Dunning) has made a statement touching the situation, but it seems to me that the whole of this resolution which we are at the present moment discussing, as well as the following resolution with reference to the merchant marine, is about as illuminating as are some of the talks of Sir Henry Thornton over the radio; the one contains about as much information as the other.

With all due respect to the board of directors, I would point out to the minister that according to the returns of the Department of Railways the sum of $2,000,000,000 has been expended on our railways, a considerable proportion of which outlay constitutes nothing but a frozen asset. A very considerable portion of this vast sum does not pay any interest at all. I quote from page 13 of the report:

Guarantees

The funded debt, unmatured, held by the public amounts to $931,329,302.74, of which roughly two-thirds, or $674,947,283.77, is guaranteed. Of this last-named sum $581,372,903.51 is guaranteed by the Dominion and the balance, $93,574,380.26, by the several provinces, as follows: Ontario, $7,859,997.59; Manitoba, $24,389,892.18; Saskatchewan, $17,904,061.99; Alberta, $18,394,427.37; British Columbia, $25,026,001.13.

The balance is not guaranteed. I submit that something should be done to simplify our entire railway structure. What is parliament for? What is the railway commission for? We had an investigation into the railway systems of Canada in 1917 by Sir Henry Drayton, Mr. A. H. Smith and Mr. Acworth, and a large sum of money was invested in a survey both of the Canadian Pacific railway and of the component parts of the Grand Trunk railway, now the national system. Recommendations were made by these experts to parliament, and it was urged by those who knew what they were talking about that no new branch lines should be built without a special report to parliament by the railway commission. That recommendation has been absolutely ignored. Sir Henry Thornton is a law to himself and pays no attention whatever to the railway commission. Instead of these matters being decided by parliament, consisting of the Governor General and the two houses, we seem to have for the disposition of railway questions a fourth House namely the Governor General, the Senate, the House of Commons, and the house of Thornton. There is no control whatever over the president of the Canadian National Railway system. He is a law to himself over parliament.

As to this $31,000,000 of guarantees, what happened when the present minister's predecessor in 1925 was here? An original estimate of $75,000,000 was cut down to $30,000,000 and that vote was passed two years ago early in the morning in the dying days of the session. Towards the close of the session the government brought down a similar bill for betterments, branch lines, securities, the hypothecation of title deeds and so forth, and only two or three members on this side of the House were able at the time to ask any questions. What information did they receive? Why, it was of such little importance that the questions might as well have not been asked. Is parliament going to serve merely as a rubber stamp for the president and directors of the Canadian National system? I should like to ask the minister this question: Do the board of directors hold meetings, and what and whom do they direct? The list of the directors has the appearance to me more of a Liberal election executive or a Liberal campaign fund committee; certainly, in my opinion at any rate, they do not know enough about the administration of a two billion dollar property. We want to find out something about the system and to get some definite information as to how it is being operated and what are the functions of Sir Henry Thornton and the board of directors. While I am

a supporter of the Canadian National system, I am bound to say that in my opinion it is not properly administered to-day and we are losing a lot of business in consequence. We are told that there is no politics in the administration of the railway. I say there is politics in it; there is a good deal of politics in connection with the administration of the railways in the district I come from.

So far as this particular vote of $31,000,000 is concerned, I do not propose as a representative of the people to vote for it until I know for what purposes it will be used. In 1921 the people of Ontario were so disgusted with the way in which they had been and were being treated by the Grand Trunk railway that they made a vigorous protest. Some $122,000,000 in cash and $23,000,000 or $24,000,000 in credit of the old Grand Trunk Railway had been taken and spent in connection with the Grand Trunk Pacific and that system became bankrupt. Those who built the Grand Trunk Pacific railway were altogether too impatient to foist that expenditure upon the people of this country. The Liberals could not wait, and so we had this white elephant forced upon us.

It is all very well for the minister to say, as he said this afternoon, that there was no foreclosure regarding the Grand Trunk Pacific bill to-day. Let him read the Drayton-Acworth report and he will see just how the various systems are linked together and where the deadwood is. Well over $500,000,000 of the investment is paying no interest at all; as I say, it is a frozen asset. It is nothing but a liability, although the money was advanced to this railway, paid out of the till of the country in the form of cash, in land grants, subsidies in handouts and in various guarantees. Not satisfied with coming and rapping at the door of this parliament and begging for assistance, the builders of these railways appeared at the doors of the different legislatures of the provinces with an application for more handouts: they got a duplication of these various grants from the provinces of Quebec, Ontario, Manitoba, British Columbia, and western Canada. The system went bankrupt; a receiver was appointed and it had to be taken over by the people of Canada—all due to private ownership, not public ownership.

The Grand Trunk Railway were partners with the government of Canada in the building of the Grand Trunk Pacific and then they wanted to hand back to the country the Grand Trunk Pacific, that white elephant, although the Grand Trunk were responsible for the construction of it. Let the minister read the report of the Department of Railways tabled the first day of the session, particularly with reference to capital and maintenance of this system. I would quote just a few lines:

> Attention was called by a special committee of the Senate, during 1925, to the fact that the increase in Canadian National Railway obligations during the last six years had averaged $100,000,000 annually, and the report in question stated that there was no assurance that, under the present system, this expenditure would materially decrease in the near future. During the last six years the increase in the funded and unfunded debt of the national railways has amounted to $636,655,760.21, but of this sum $153,105,854 consisted of interest due the government and added to the railway debt. It does not represent actual expenditure, is a book-keeping entry only, and rendered necessary by the rigid requirements of railway accounting. Apart from this government interest, the increase in railway debt during the last six years amounted to $483,096,636. But that sum includes all capital requirements and thus represents much more than deficits. No less than $265,068,560 has, during the period in question, gone into the actual improvement of the property by new construction, betterments, property acquirements and new equipment.

The report of the Railway department refers to the fact that a committee has been appointed each session for the past three or four years, known as the committee on railways and shipping, to go over these estimates both for capital expenditure and maintenance and see what should be done with them. Well, what kind of a committee is it? It is simply a board of strategy for Sir Henry Thornton and the National Railways to whitewash their proceedings and pull the wool over parliament's eyes. I have come to that opinion because I have attended meetings of the committee, and have here some nine or ten of their reports. Attempts were made on the floor of the House to elicit information as to what Sir Henry Thornton was doing. For example questions were asked as to the identity of a certain Mr. Gaston, a supposed American lawyer.

It was admitted in the committee that this gentleman was not a lawyer at all, but a graduate of the Yale law school. He was invited to come over to Canada which, it seems, is a happy hunting ground for Sir Henry Thornton's friends. It was announced in the Canadian press that Sir Henry Thornton had engaged his own staff to prepare plans for a hotel at Vancouver. He is very fond of going to the United States to get men to fill positions in connection with the National railways. How different was the course pursued by the late Sir Adam Beck in connection with the hydro electric system in Ontario. In the power development at Chippawa every engineer and other skilled

person employed on the works was a Canadian. They had there some of the finest hydraulic engineers in the world, graduates of Toronto university, McGill university, Queen's and other Canadian universities. There is no position in this country that a Canadian cannot occupy, yet when it comes to filling places on the Canadian National system American citizens are favoured and brought over. They are now filling the highest positions on the National system, even the executive offices. Some of the American occupants of these positions call themselves vice presidents, but the fact that they do that does not make them vice presidents in reality; a lot of these high officials do not know any more about railways than I do. There is no use disguising the fact that the Canadian National railway system is a sort of happy hunting ground for Americans. In the House of Commons an hon. member from the maritime provinces asked what was the salary of the Mr. Gaston to whom I referred, and what his duties were. The minister replied that it was not in the public interest that this information should be disclosed. I have referred to the committee on railways and shipping as "a board of strategy" for the National railway system. It was probably appointed to withhold from parliament the information which it would otherwise have got. In spite of the fact that this committee is in existence, we cannot get the information we want. We have an "Alphonse" in Sir Henry Thornton and know his salary but we are not told who "Gaston" is or his salary.

We are told very little about this protege of Sir Henry Thornton's who was brought to Canada as an authority on railway securities, and on the hypothecation of deeds, and the obligations of guarantees. We are told that this gentleman is a graduate of Yale university. How can he be familiar with the laws governing real estate in this country, to say nothing about the system of registration and the Torrens land system? A man versed in these matters, and a returned soldier, could easily have been secured from any Canadian law office, but Sir Henry Thornton had to go to New York to get his own man. No sooner was Sir Henry Thornton back from his honeymoon than he appointed his father-in-law as architect to prepare plans for the erection of the Canadian National hotel in Vancouver city. Some fifteen or sixteen gentlemen from the United States have been appointed to fill good positions in connection with the Canadian National railways, but it is impossible to find out what salaries are paid to them or what their duties are. It seems to be impossible to get a Canadian or a British subject to fill any of these positions.

The Minister of Railways is responsible to the people of this country for what is going on. I do not blame the minister altogether, he has always been willing to give the House any information that he possibly could; but as a Canadian I object to Sir Henry Thorntonism, and many other of his "isms", which he has forced upon this unwilling country.

Over three billions of dollars of Canadian money have been invested on railways in this country with a population of only nine millions. Canada has a huge railway mileage of 40,000 miles of track, equal to what Germany, France and England have with populations of 60, 46 and 47 million people. Think of the over-duplication of railways that has gone on around the city of Toronto and from Toronto on the main line east, three or four different lines.

I was on a train with some Progressive members from the west going to Toronto, and I observed them scrutinizing the railways between Belleville and the queen city. They surely must have been impressed with the railway duplication in evidence between Scarboro junction and Toronto and Belleville and the consequent waste of public money. Compare this with the economy shown in the construction of the hydro electric system. There you have a public ownership system in the ideal administration form. But for Sir Henry Thornton the Toronto and Guelph railway, the Niagara, St. Catharines and Toronto railway, the Toronto and Eastern railway would all have been incorporated in the hydro system without the cost of one dollar to the tax-payers. That shows the kind of public ownership man he is. That is the kind of support he gave to the hydro electric movement in Ontario. Had these three railways been attached to the hydro-electric system, they would have been feeders and brought business to the national railways; they would have given great help to the struggling tax-payers of this country, and would have aided in relieving them of the burden of debt which railway duplication has helped to bring about.

What happened? Under Sir Henry Thornton the radials were killed in Ontario. The province is suffering as others are doing. What is the result to-day? The Ontario government have opened up good roads and the national railways are losing the cream of the business between Toronto and Hamilton; they are losing the business in the Niagara district,

and they have lost the support of the hydro municipalities' systems as feeders. These inter-urban hydro radial cars which collect package freight would have acted as feeders for the Canadian National and would have saved Canada from the expense of some of these bankrupt lines in Ontario, some of them not earning enough to pay interest on their indebtedness. I am sorry that happened because, as I said this afternoon, Ontario has suffered more than any other province. The old Grand Trunk, which was a good road, built up that province, but it took $150,000,000 in 1905 in cash out of Ontario and left the province to stew in its own juice for a system.

I should like to get some information in regard to these matters. I could get none from the board of strategy of this committee which was appointed, known as the committee on railways and shipping. I think it is the most remarkable committee I ever attended and some of the information I tried to get I was unable to obtain. The administration of Sir Henry Thornton's system is not what it should be, and he is losing business to-day. He seems to take a leaf out of the book of the Canadian Pacific. When I had a cheap fare bill before this parliament three years ago, who appeared before the railway committee to oppose it? The national railways with their directors and a whole carload of lawyers. That particular bill proposed to renew cheap fares as they existed before the war for the farming community for holidays and week ends. It was supported by the municipalities, by different public organizations, by the working classes through their organizations known as the labour councils of this country. The bill proposed to restore to the people single fares on holidays and week ends and special excursions and all that kind of thing. The British railways have again adopted in the ordinary course that principle as a matter of good railway business; the United States railways have done the same; but this national system had to wait for the bill to be prepared and then helped to defeat the bill. When the bill was defeated many sporting organizations throughout the country, instead of travelling on the National railways now use motor busses in order to go to Hamilton, Guelph, Niagara, the Muskoka district and so on, owing to the high railway rates.

Another abuse which I brought up before the committee was the abuse of the pass system. The hon. member for Fort William (Mr. Manion) called this the "deadheads" railway. I call it the "deadheads" railway also here to-night because that is exactly what it is. I travel on the system myself and it is appalling to see the large number of people who have passes or who travel in private cars. I do not know where they get them, but the receipts have been depleted by the way in which the system has been administered. I was informed by Sir Henry Thornton before the railway commiittee that he had the same pass system as the Canadian Pacific. The trouble with Sir Henry Thornton is that he is always comparing his system with the Canadian Pacific. His system is a bankrupt railway going behind $50,000,000 or $60,000,000 a year in addition to having huge frozen assets. On the other hand the Canadian Pacific is a privately-owned system that cannot operate at cost, that must pay dividends. According to the statement of the year before last, they effected $14,000,000 in economies in operation, and can afford to have a pass system of their own. The railway act covers free transportation. Not so the national railways. I was told by one of the officials of the department that inasmuch as I was one of the few members of parliament who never asked for a trip pass I should have a bust of myself placed in the Victoria museum to let future generations see such an exhibit of modesty. The pass system and the private car system of the Canadian National Railways are abused. There is discrimination between different people. Some of one religious denomination can get a private car; others can get none. Some of one religious denomination can get passes, others cannot. There is a wholesale discrimination along that line contrary to the railway act which governs passes. Nobody in this country should have a pass on the national railways except government officials. I endeavoured to secure this information in regard to passes from the railway committee but I was unable to do so. The only time to get this information, as the hon. member for West York (Sir Henry Drayton) said two years ago to the former minister, Mr. Graham, is now.

Another matter about which I was complaining is the way in which the Toronto district is used. With the assistance of some financiers they were to build a sky-scraper at the corner of King and Yonge streets. The existing building was to be torn down and the Canadian National Railways vacated it. They formed a company; they made a proposition, but they did not carry it out. The railway agreed to occupy certain stories and the rent would have paid for the building in a few years. Then it was abandoned after two or three years of negotiations and after the Canadian National Railways had moved to and fro from King and Yonge to Toronto and King and back, and after they spent $100,000 at the corner of King and Yonge on

repairs, and on repairs at King and Toronto and on the telegraph offices of the Great North Western on Scott street. It was all just a speculation by speculators on the Canadian National Railways credit; they were using the credit of the national railways. The intention was to build a sky-scraper; the Canadian National Railways would be a tenant and out of the rents of which enough money would come to the Canadian National Railways to pay for the sinking fund and interest and wipe out the bonds in thirty-five years, and the speculators would own the property.

It was announced by the minister two years ago that a new deal was being made. What happened the other day? After moving back to King and Toronto street for the second time, away from King and Yonge street, after moving the telegraph offices from King and Yonge to Scott and Toronto street, the property at King and Yonge was vacated. Then a company was to be formed for the third time and the building was to be built. Now they announce with a flourish that they are not going to go on with it at all and back go the Canadian National Railways to King and Yonge street again. This was done although there were four or five buildings which had been built by private individuals and in which there was I forget how many feet of space vacant.

That is an example of what happens as a result of passing a blanket item like this of $31,000,000 that will give Sir Henry Thornton power to do everything he wants to do except build a branch line to Timbuctoo. If he had his way he would build lines to the sun, moon and stars and there would be no way of stopping him. He seems to be a law, or a sort of high court of parliament all to himself. Do you think he would obey the orders of the railway commission? No, the railway commission does not apply to this venerable statesman. Does the railway act apply to him? No. How do I know that? I know because when the late Mr. Carvell was considering a railway case in which the city of Toronto was interested, he was not altogether sure whether, in view of the constitution of this great big legislative system, the railway commission had any jurisdiction over it. I do not believe they have because events during the past two or three years show that they have no jurisdiction over it. When you consider that this is a railway on which the people of this country have spent nearly $2,000,000,000, you would think if it was fit to be called a national railway, it would do something for the people of Canada.

I have already referred to the numerous officials who came over from the United States and were given soft jobs in this system. Let me refer to the failure of this national system to do anything to build up Canada and to solve our economic needs. The claims of the maritime provinces are at present before parliament in their attempt to get preferential treatment in the Duncan report. I hope that long-suffering part of the country will be given just treatment, and if we have to vote subsidies and subventions for that purpose, let us do it, and the same with the west. Instead of Sir Henry Thornton doing something for the benefit of the west, instead of bringing coal from Alberta and the maritime provinces over the Canadian National system to central Canada, and instead of utilizing the merchant marine for that purpose, what did he do? He sold some of the ships of the merchant marine that were worth $1,500,000 for $50,000. Some of those boats could have been converted into part lake and part ocean boats, like the whaleback boats, and during five or six months of the year could have been engaged in carrying coal from the maritime provinces to central Canada. A large number of extra idle cars at the head of the lakes, for several months empty, could also have been converted for bringing Alberta coal to central Canada. Did Sir Henry Thornton do that? No. He was asked to quote a rate on Alberta coal, and he took so long to do it that the people got tired of waiting for him to do anything to help solve the problem. At last he quoted a rate of $9 during last session. He might just as well have quoted $22. He is content to let Canadians be hewers of wood and drawers of water to the Pennsylvania coal barons. That is what he wants us to be. He did not care about developing this country or solving Canada's economic problems or helping to market the products of the sea, the soil, the forest and the mine. No, he was content to have Canada continue to be the happy hunting ground for the American coal millionaires under his system of administering the Canadian National railways. If Sir Henry Thornton had any conception of his duty as head of that great system he would long ago have solved the coal problem and adopted a national policy.

The coal situation is in a terrible state. Stanley Baldwin in England has come to the support of the coal mining industry. It is an industry so closely connected with the railways, with steel, agriculture and other basic industries, that Stanley Baldwin during the hard days of the coal strike had to come to the support of the British railways and of

the British coal industry, and by a system of subventions and subsidies help put that industry on its feet. Not so Sir Henry Thornton. He is prepared to have us spend $150,000,000 in the United States for coal, and to let us go on doing so for many a day before he will help to solve the coal problem in this country and come to the help of the people of Alberta and the maritime provinces, who should have been helped long ago to get their coal to central Canada.

But that is not the only point. A case came before the railway committee not long ago. There are several sub-charters belonging to the Canadian National system— the Vermont system, the Michigan system, and the system running through Maine and Illinois. In the city of Detroit Sir Henry Thornton gave up a very valuable right of way to the people of Michigan. He gave up an agreement under which he was paying $25,000 taxes to the state of Michigan, and gave up the right of way on Woodward avenue in the city of Detroit for a backdoor right of way from Detroit out through the state of Michigan, and under this new agreement, instead of paying $25,000 in taxes, the Canadian National railway has to pay $125,000. When I asked for papers concerning this matter, it took me over a year to get them, and when they were finally brought down, they were not the ones I wanted. Millions of dollars of the taxpayers' money of this country is being spent, and when we ask for information, we are told it is not in the public interest to give it. I say, Mr. Chairman, that before parliament passes this large expenditure of $31,000,000 there should be an investigation into the whole administration of the National railways from top to bottom. Before any more large capital expenditures are made, the railway commission should report on this particular matter. In the Drayton-Acworth report, Mr. A. H. Smith, Sir Henry Drayton and the late Mr. Acworth, the eminent English engineer, after making a survey of the railways in this country, say that the railways had got into a rut of debt because of the haphazard granting of charters and the duplication and waste that went on. So far as the administration of the national railways to-day is concerned, it is a sealed book. You ask for information on the order paper, and you are told that it is not in the public interest to give it. Take the Hydro-Electric Commission in Ontario. They disclose everything to the legislature in connection with their administration—the salaries of the commissioners and engineers, and all costs and contracts, and all the details of the plant at Chippawa, which is being built at a cost of $65,000,000.

Sir Henry Thornton seems to take his cue in a great many things from the Canadian Pacific railway. He did so in regard to the bill I had. He finds out what the Canadian Pacific railway is going to do, and then he does it. His policy is "me too." He seems to forget that the railways, as I said two years ago, have a commodity to sell—transportation. Instead of being able to sell transportation like any other commodity, in accordance with the law of supply and demand, this particular commodity is hemmed in with all kinds of laws, human and divine, and with all kinds of regulations and legislative restrictions. Secondly, transportation is not a free commodity. There is discrimination in the sale of it, with both sectional and provincial interests being considered. According to speeches that have been delivered, political considerations seem to prevail, instead of economic considerations, in settling the question of rates. Freight rates from the standpoint of the railways and their bondholders should serve four purposes, namely, to provide:

1. Operating expenses.
2. Money for sinking fund and fixed charges.
3. A reasonable dividend on the investment.
4. If possible, some money for betterments and extensions.

I am very much disappointed with public ownership, Mr. Chairman, if this is a sample of it that we are having in connection with the administraion of the Canadian National railways. It is not really public ownership at all, as I see it. I believe that this whole resolution should be referred to the railway committee before which the officials of the system could be examined as to securities, notes, equipment, operating income deficit, construction and betterments, and all these other matters as to which it is not fair for us to expect the Minister of Railways to be able to answer. We are being asked to vote $31,000,000 to-night. That is almost as much as it took to run this country when Sir Wilfrid Laurier came into power in 1896. It took $36,000,000 to run the country then, and to-night we are being asked to vote $31,000,000 in this haphazard manner without any report from the railway commission, and without the matter going before the railway committee.

Then as regards the freedom of the press in this country. It was brought out before the committee on railways and shipping that a great many newspapers in this country are

receiving privileges from the Canadian National railway system. Newspapers to-day are being carried over the system in the mails as third-class matter at a cost of almost $1,500,000, when the actual cost is over $3,000,000 or $3,500,000. Sir Henry Thornton when he took over the Canadian National railway system went in for advertising very extensively. Hon. members all know that by the literature they receive. Some newspapers were getting paid for advertising from which they received no practical value and there was no passenger or freight business coming to this system as a result of those advertisements. Many of them received passes as well. To do what? Passes no doubt which would result in praise of the system. Passes to enable many officials coming from the other side to get a good position. Is that the reason? I do not know. I say further that the colonization department of this particular system is on a wrong basis. Sir Henry Thornton's whole colonization department of the national railways is on a wrong basis. It is an un-British and un-Canadian policy. It should be coordinated with the immigration policy. Under the present system we are not getting the immigration and I do not expect we will get it. Under this system immigrants are brought to Canada and then they go to the United States. About a hundred thousand people who really belong to this country went to the United States. Why can we not bring these men back and give them a chance to work in Canada? Yet they have an immigration branch and a colonization department, but I do not know whom they are colonizing. We have no way of checking it up. No sooner do the immigrants get here than they go to the States. I might refer to the attempted purchase by Sir Henry Thornton of the Home Bank property in Toronto on King street. The Canadian National Railway money was deposited by the railway in the Home Bank and if it had not been for the question asked in the House we would have lost a million dollars. The money was taken out a week before the bank failed. How did the money get there? The president of the Home Bank happened to be a director of the Canadian National Railways and also of the Home Bank and had used his influence with the president and directors of the Canadian National to have the money deposited in that bank. The board of directors of the National Railways look to me more like a Liberal campaign committee. What did they do? Whom did they direct? Sir Henry Thornton seems to have been very successful in directing his votes through parliament in

[Mr. Church.]

the dying hours of last session. A special committee was appointed on railways and shipping. To do what? I might call it a whitewashing committee for all the information I could get in regard to it. What is the board of directors for? How do they function? Do they really carry out their duties? I have already explained how one of the directors carried out his duty in the purchase of that building in Toronto. I believe the time is coming when the people of the country are not going to stand for this course of conduct any longer. It is a very important matter to the people of Canada. Instead of Sir Henry Thornton effecting economy, his alleged economy is pure bookkeeping. Why do they not do as the Canadian Pacific did when the earnings of the company went behind $13,000,000 in 1924? They practised economy and effected a saving of $14,000,000 in operation and were thus enabled to pay their dividend.

It was announced in Toronto the other day that Sir Henry Thornton was going to build another hotel in that city. Almost every other day somebody in our city is going to build a hotel. Then Sir Henry contradicted himself and said that no money was going to be furnished by the company. A week ago he comes out with a new statement that he is going to give his goodwill and blessing to a proposition of business men but the Canadian National Railways will put up no money. Will the new hotel be similar to the skyscraper in Toronto at King and Yonge streets? Is the credit of the national railways and the government to be used for building the hotel like the credit was used for the skyscraper? I would like to get this information. The money which will be spent will be frittered away and will help to swell the deficit of $56,000,000. Sir Henry Thornton could find Canadians to fill the chief posts in the railway if he wanted to, and it would be much better for the system. His father-in-law is going to prepare plans to build an hotel in Vancouver for the system; perhaps other relatives will help to build hotels elsewhere.

All over the country a section of the suburban and urban press are talking about the Canadian National Railways. Instead of Christopher Columbus having discovered America, I think, according to some newspapers, it was Sir Henry Thornton who discovered America. Look at the oriental splendour in which he travels over the country and look at the cars in which he travels.

When the question was asked as to the cost of repairs to Sir Henry Thornton's car it was stated that it was not in the public interest to give the information. And why not? In his tours of America I say that King Solomon in all his glory was not arrayed like Sir Henry Thornton. The Egyptian and oriental splendour that characterizes his travelling through this country with his radio and everything else is something dazzling and is a sight for the farmers and working classes. In a few days he will no doubt announce that some new Alphonse and Gaston from the states are located in a good job on the railway system. Yet they say it is not in the public interest to divulge how these new men obtain thousands of dollars from this Dominion for doing little or nothing.

I believe in real public ownership, but I venture to say that Sir Henry Thornton, from the foregoing, is doing more to-day to kill public ownership than any man I know of. If this matter comes to a vote I intend to oppose this resolution. I believe that this resolution should be referred to either the standing committee on railways or a special committee, or to the railway commission for a report.

Mr. DUNNING: Some of my hon. friend's remarks are of such a character as to necessitate some brief reference on my part. I do not remember to have ever listened to a more astounding combination of unrelated facts and misinformation than the speech just inflicted upon the committee by my hon. friend. It was a bitter and grossly unfair attack on the Canadian National system. If my hon. friend and those who applauded him so vigorously on the other side of the House—

Mr. CLARK: And your own.

Mr. DUNNING: Am I to take it that the applause from my friends opposite was merely ironic? If my hon. friend believes even a very few of the statements made by him regarding Sir Henry Thornton in his capacity as president of the Canadian National railway system, it was his duty as a member of this House to conclude his address by a motion that Sir Henry Thornton be at once dismissed from that position.

Mr. HANSON: What good would that do here? It would be out of order.

Mr. DUNNING: What good would it do here? My hon. friend would not vote for it, would he?

Mr. HANSON: That is quite another question. I submit that such a motion would be ruled out of order instanter.

Mr. DUNNING: In this House we are expected to treat serious matters seriously, and when we are dealing with an institution of such great importance to this country as the Canadian National Railway, I think it is at least the duty of every member to assure himself as far as he can of the correctness of every statement he makes. I cannot pretend, sitting here listening, to prepare an answer to misstatements, errors and entirely erroneous statements in such great number as were presented by the hon. member for Toronto Northwest; I can only pick out a few typical instances.

Sir Henry Thornton was blamed for the acquisition of the Toronto Eastern. The fact is that the Toronto Eastern was acquired by the Conservative government before Sir Henry Thornton ever became president of the Canadian National system. Sir Henry Thornton is blamed as an enemy of public ownership because he opposed the selling of certain Canadian National lines to the Hydro-Electric Commission of Ontario. He opposed that sale in what he believed to be the interests of the Canadian National system which is owned by the people of Canada. It is difficult for me to see how he can be charged with being untrue to the principles of public ownership simply because he believed it was desirable in the interests of the system that he was running for the government of Canada to refuse an offer for the disposal of certain property belonging to that institution.

My hon. friend repeated over and over again about Sir Henry Thornton's father-in-law being the architect for the Chateau Laurier extension and, I think he said, for an hotel at Vancouver. I wish to assure my hon. friend, and any others who may be interested, that the architect for the extension to the Chateau Laurier, for which partial provision is made in the estimates now under discussion, is Mr. John S. Archibald of Montreal.

With regard to an hotel at Toronto, I want also to assure my friend that the Canadian National Railway is not investing, directly or indirectly, one dollar in the construction of such an hotel, stories to the contrary notwithstanding. As to the twenty-six storey sky-scraper that my hon. friend imagined at the corner of King and Yonge, also in the city of Toronto, may I say that the Canadian National Railway is not investing, either directly or indirectly, one dollar at the present time or in the immediate future in the erection of such a building.

Mr. McGIBBON: What about the two years' rent that they lost?

Mr. DUNNING: My hon. friend gives me an opportunity of going into that; my hon. friend from Pictou (Mr. Cantley) also gave me a lead along that line this afternoon, and perhaps it is just as well that the House should be clear as to what the law is respecting the relationship between the government, represented by the Minister of Railways on the one hand, and the Canadian National management on the other. The law provides that the management of the property shall be committed to a president and a board of directors. They are in absolute charge of all matters of operation and management of the Canadian National Railway property. Under the law enacted by this parliament no power whatsoever is given the minister to interfere in any of those matters. Under the law the minister's power—the government's power—becomes operative only in case proposals are made by the board of directors which would have the effect of increasing the aggregate obligation of the people of this country or of impairing the property in any large way.

What does that mean in practice? It means that with respect to all of the type of matters to which my hon. friend from Pictou referred this afternoon—the class of equipment to be used on any particular branch line, the kind of materials to be bought for this or that purpose, who shall get contracts, and so forth—with respect to those matters the management itself is supreme; which means in railway operation very largely the president of the road. There is no question of that. But when the board of directors or the management propose to expend, let us say, $5,000,000 on a hotel in the city of Vancouver, in the city of Toronto or in the city of Ottawa, or propose to buy $20,000,000 worth of equipment, it is necessary for them to come to the minister. Then if after examination of the proposals he is convinced of their soundness, he must propose to his colleagues in the government an order in council giving the necessary authority for the expenditure and the consequent increase in the capital liability of the people of this country.

I am not arguing that we have yet arrived at a complete adjustment between the necessities of public ownership on the one hand and the necessities of responsible government on the other. I have never argued that we have yet reached the place where we can say that we have successfully adapted our great public ownership experiment to the necessities of responsible government. I do not want to be misunderstood in that regard, I do not want my remarks to be quoted as indicating that I am an enemy of public ownership—far from it. Neither am I one of those friends of public ownership who shows his friendship by attacking, in season and out of season, the management of a public ownership undertaking, which management is year by year improving the standing of that undertaking.

With regard to passes, my hon. friend's remarks were full of insinuation rather than statements of fact. The issuance of passes, as every member of this House knows, is governed by the Railway Act, and I should like any hon. member who has knowledge of a case where the Canadian National Railway issued a pass in contravention of that act to advise me either publicly on the floor of the House or privately, as he may desire. More than that, the Railway Act provides for an audit of all free transportation issued under its provisions. That audit is made under the authority of the Board of Railway Commissioners, and involves sworn statements and the most careful checks that parliament could devise when the amended Railway Act was passed in order to prevent abuse of the pass privilege.

So many wild statements were made by my hon. friend that it was impossible for me to follow him sufficiently close to make a note of them all. The few to which I have referred are samples that will give the House an idea of the effect of my hon. friend's statements generally. What a great opportunity Canada missed when looking for a president of the Canadian National Railway system. If my hon. friend is as qualified a critic of the management as his remarks would indicate, the country surely missed an excellent opportunity. And what an opportunity my hon. friends opposite missed when last year and previously they had the privilege of placing the hon. gentleman, as one of their nominees, on the select committee appointed by this House to investigate the Canadian National railways and shipping. But my hon. friends, in spite of their applause of the hon. member's remarks to-night, saw to it that he was not one of their representatives on that committee.

The hon. member to-night reviewed the proceedings of that committee in a manner which, if it conveyed any reflection at all upon the members of this House, certainly reflected equally upon the members of his own side, because last year, as hon. gentlemen will remember, the committee was composed of an equal number of Liberals and Conservatives. I attended every one of its sessions. Members opposite and members

on this side were also in attendance at every session and I think the committee gave careful conscientious attention to the mass of detail which they had to consider in connection with the Canadian National accounts and Canadian National business generally. That is the place where it is possible to make a much closer examination than can be made before the House as a whole, and I do earnestly urge that statements such as those made by my hon. friend should not be taken seriously by this House, but that each side should see to it that their best men—good, sound business men who desire to see public ownership a success in Canada—be placed on that select committee, so that when the officers of the company appear before them it may be apparent to all that a committee of this parliament is doing its best to serve the public interest in connection with the operation of this great system. Very shortly I hope, it will be my privilege to move again the nomination of such a committee, and I trust that my hon. friends opposite will give consideration to the nomination, as one of their representatives, of my hon. friend from Toronto—that is, if they really believe that he is an expert in these matters. If his criticism of Sir Henry Thornton and the management is well grounded, the place for him is on that special committee to inquire into these matters.

So far as the Canadian National Railway system is concerned, if four years ago anyone had predicted that the system could be to-day in the sound financial shape in which we find it he would have been regarded as crazy. Every hon. member knows that. Of course, Sir Henry Thornton makes mistakes; he is human, unquestionably; very human. I do not always agree with him. As minister and president of the system, respectively, we often have very wide differences of opinion on matters which it is Sir Henry's business to place before me at times. Nevertheless I am convinced that Sir Henry Thornton is heart and soul behind the system in an endeavour to make it a success for the people of Canada. I can say that, much as I may differ from him in certain particulars.

My hon. friend conveyed the impression that the House was being asked to vote $31,000,000 in a haphazard manner, ignoring altogether the fact that the details of this $31,000,000 were exhaustively gone into by that special committee containing six or seven representatives from the other side of the House with a similar membership from this side. This afternoon I called attention to the only major variations in detail as between the work of the committee last year and the estimates now under consideration. I shall be glad to answer questions, so far as they may be within my knowledge, but I do not think that the remarks of the hon. gentleman will be taken very seriously by the people of the country.

Mr. BENNETT: Nothing could better illustrate the seriousness of our railway problem than the observations of the minister (Mr. Dunning) to-night. The remarks he made with reference to the hon. member for Toronto Northwest (Mr. Church) were wholly out of keeping with the general tenor of his speech. Sarcasm is not an answer, neither is an endeavour to heap ridicule on a member who advances certain opinions any reply to that member's statement. That is clear. But there is this point I should like to impress upon the committee, and I regard it as a matter of great importance. This is an estimate for the fiscal year ending March 31, 1927. It was approved of by the special committee, and to that extent we need not further concern ourselves about it, inasmuch as it was considered in all its bearings. There are in the estimates some items which increase the amount of the country's obligations beyond what was approved of by the committee, as stated this afternoon by the minister himself. But the purpose of my rising now is to point out the very great necessity of seriously considering how the people of Canada, who own the Canadian National railway system, may function as shareholders. That problem has not yet been solved under our democratic system of government. We have no real directorate control of this organization, for the directors are politicians. I ventured on a previous occasion to mention who they were and why they functioned as politicians, what they did in that capacity, and what their efforts were to control votes at election times. The directors of such an enterprise should not be primarily politicians; they should be business men of capacity, able and willing to assist the president of the system in the conduct of its operations. How is that directorate to be chosen and how is it to be elected? If at the annual meeting of the Canadian Pacific Railway Company, or of one of the banks, or of any other corporation, it is found necessary to elect directors, the shareholders have an opportunity to make the election. To-day the shareholders of this system, the people who own it, have no opportunity to place upon the directorate their representatives to control and direct the affairs of the railways. That is the real difficulty of government ownership in this country at the present time. I suggested

a year ago, and I still believe the suggestion capable of application, an idea which seemed to me to meet the difficulty. I have given a considerable amount of attention to this problem, as I have no doubt every other hon. gentleman has done; and it is obvious, for reasons which are quite evident, that the people of the country, the shareholders of the system, can in the very nature of things exercise no real control over its operation. In other words, there are no directors who direct. The directors are merely nominal, persons who draw their salaries, have the advantage of certain transportation, and do no work commensurate with the obligations that should devolve upon a directorate. How is the question to be dealt with? I suggested—I venture to suggest again to you, Mr. Chairman, and in due course of time I shall elaborate the suggestion in detail —that there are nine provinces in the Dominion, each of which should have a director on the board, that director to be elected on the joint ballot of the members of the legislatures of the various provinces and of the Senate and the Commons of Canada. I know of no other way in which the problem could be handled. The very fact that the legislature of British Columbia, say, has to vote for a man from Prince Edward Island, or the legislature of Alberta or of Saskatchewan to vote for a man from New Brunswick or Nova Scotia, would at least ensure our getting men of capacity, integrity and vision, who would endeavour to make a success of the business and direct it as they would their own. I have no hesitation in saying that if we adopted such a plan we could secure from Nova Scotia and New Brunswick, for example, men of the finest type willing to give their best service to the state. And coming to Quebec and Ontario, the same applies, as it does to the western provinces. So long however as we appoint men merely on the principle of obliging a political friend, so long as we are content to make a druggist in British Columbia, who has rendered some political service to a party, a director of a great system such as this, just so long will the present condition prevail.

Now, everyone knows—that is everyone who has had occasion to consider this matter—that the real difficulty is how to place control in the hands of the people directly, and if we elected the directorate in this way we would have some control: If the smallest province had one man and the largest province had one man on the directorate then, of course, there would be no feeling on the part of the smallest province that they were being overborne by the weight of the representation from the larger provinces. I do suggest to the minister that the time has come when notice should be taken not only of the conduct and operations of the system but of the political activities of some of the people connected with it and of the boasts which one responsible officer at least made to a minister as to how well he had done his duty during the last election.

Mr. DUNNING: Who?

Mr. BENNETT: I say boasts made by one of the officials of the road to one of the ministers as to how well he had done his duty. That is what I say exactly, and I say that the time has come when the only way in which the system can be removed from the field of politics is to have a directorate elected by the people. Then we should know where we were when we are asked to vote money.

Mr. DUNNING: In reference to a matter of that kind, I think my hon. friend should go a little further or else withdraw his statement. I ask what minister he refers to—

Mr. BENNETT: I will say—

Mr. DUNNING: —and what officer.

Mr. BENNETT: I am not going to give the name of the officer. The officer who reads my observations will know exactly whom I mean, and when the time comes he will have an opportunity before the special committee to answer as to the truthfulness and correctness of the statement. Let there be no misunderstanding about that.

Mr. DUNNING: Will my hon. friend name the minister?

Mr. BENNETT: I will name the minister on that occasion, not now.

Mr. DUNNING: Not now?

Mr. BENNETT: No, I have no intention of doing it now. I will afford ample opportunity to the man to whom I refer to make his explanation.

An hon. MEMBER: You are afraid to do so.

Mr. BENNETT: I beg your pardon.

An hon. MEMBER: They say you are afraid.

Mr. BENNETT: I am not in the least afraid. Do not for a moment think that.

An hon. MEMBER: Give us the information then.

Mr. BENNETT: I repeat what I said a moment ago, that one of the responsible officials of this road boasted of the success of his efforts last fall with respect to the vote of the Canadian National railway employees. That is what I say, and I have this much

further to add: There are men in this House who know to whom I refer and the minister to whom the observation was made. What is more he was told that they did not thank him for the observation. I will say that in fairness to the man to whom the observation was made —they did not thank him for that sort of thing. There is only one way in which this system can be lifted out of politics and that is by having a directorate representative of the people of this country who own this road. There is only one way by which we can meet the situation and that is by the method I have indicated, namely, having the largest province and the smallest province each elect one director on a ballot of the members of the legislatures of the provinces and of this House. The difficulties in connection with taking such a ballot are not great. It can easily be done by mail as is done with respect to the university, as is done in connection with the law society of the province in which I live in western Canada. The election can be carried out in that way, and we will get a class of men who will give disinterested public service, and secure the people of this country against the necessity of saying in parliament what the hon. member (Mr. Church) has been saying to-night.

Mr. DUNNING: There was no necessity for saying what he said.

Mr. BENNETT: There was with respect to some of the things he said. With respect to the building on King and Yonge streets there was very great necessity, because I took occasion myself to investigate the facts with respect to that and a suit is now pending which has been brought about by reason of the very circumstances to which the hon. gentleman alluded; and I believe it is the duty of any man who represents a section of the great city of Toronto in this parliament to go into the facts with respect to that property.

Mr. DUNNING: The facts, yes.

Mr. BENNETT: And he has stated the facts. That property was supposed to be leased for Canadian National purposes and actually a suit is now pending. It will not be discreet to do more than say that litigation is now pending with respect to the matter arising out of the termination of the agreement by which that property was to be used for Canadian National railway purposes. That is the fact. My hon. friend may shake his head but I happened to see the order in council under which the matter was referred to the Exchequer court—

Mr. DUNNING: Ah, yes, you passed it.

Mr. BENNETT: —in order to have the matter settled. Certainly, that is how I know. The late government passed it because this man preferred a claim for damages by reason of a breach of contract. He alleged that he had suffered loss and damage because the contract which he had entered into had been broken. Surely any hon. gentleman in this House who represents a section of the city of Toronto has a right to direct attention to that fact. Was the Home Bank building bought for this purpose or not?

Some hon. MEMBERS: Oh, oh.

Mr. BENNETT: It is alleged that it was bought for this road. That is the point the hon. gentleman was making, that it is possible on a misrepresentation of the facts by one man to bind this whole Dominion. What about the Scribe hotel? That is another case of the same kind. Was that done openly or not?

An hon. MEMBER: What about the Vancouver hotel?

Mr. BENNETT: The Vancouver hotel stands in this position—that the president of the road recommended that the site be bought and the hotel constructed, and on the strength of his recommendation the order in council was passed.

Mr. DUNNING: Without the authority of parliament.

Mr. BENNETT: Certainly.

Mr. DUNNING: Exactly.

Mr. BENNETT: But subject to the approval of parliament.

Mr. DUNNING: No, no.

Mr. BENNETT: I repeat, subject to the approval of parliament.

Mr. DUNNING: No, no.

Mr. BENNETT: Excuse me, subject to the approval of parliament. The Postmaster General (Mr. Veniot) has no knowledge of what he is talking about, or the Minister of Railways either if they say it was not subject to the approval of parliament. I can only say to the Minister of Railways that contortions, facial or otherwise, are not answers. The coldblooded truth is that the order in council was passed, but it was subject to the approval of parliament and to the amount being included in the vote that was passed by the special committee and approved by this House.

Mr. DUNNING: Does my hon. friend say—

Mr. BENNETT: These are the facts.

Mr. DUNNING: Does my hon. friend mean to say that there was any such understanding with the contractor, and that he entered into a contract to build not knowing whether he was to get his money?

Mr. BENNETT: No contract was concluded.

Mr. DUNNING: Ah!

Mr. BENNETT: I repeat no contract was concluded.

Mr. POWER: Was the work started?

Mr. BENNETT: As to that I cannot say. There was no contract.

Some hon. MEMBERS: Oh, oh.

Mr. POWER: A man who entered into such arrangements without getting a contract must be crazy.

Mr. BENNETT: The hon. member (Mr. Power) asked whether the work was started. My answer was that no contract was signed.

Mr. DUNNING: Was the property purchased?

Mr. BENNETT: I believe it was, and what is more it was purchased on the strength of a letter which was written by the president of the road asking and directing that it be done in settlement of difficulties between the city of Vancouver and the Canadian Northern, the predecessor of the Canadian National railway system, and the litigation is now pending.

Mr. DUNNING: But without the authority of parliament.

Mr. BENNETT: The authority of parliament was to be given before the matter became final, and they took chances with respect to it. I know that is so. It was to be approved by parliament; there is no doubt about that.

Mr. DUNNING: Does the order in council say so?

Mr. BENNETT: My hon. friend has asked me a question as to which I cannot speak with authority. All I know is this: That the acting minister or Prime Minister wrote a letter and I know that he assured his colleagues and assured this country that it was subject to the approval of parliament. Do not let us have any misunderstanding about the matter. That is the fact with respect to it.

[Mr. Bennett.]

Mr. DUNNING: We will produce the facts and the documents too.

Mr. BENNETT: The documents will speak for themselves. Will the hon. gentleman say that the contract was signed?

Mr. DUNNING: If my hon. friend will sit down I will tell the House exactly what took place.

Mr. BENNETT: I asked my hon. friend was it signed.

Mr. DUNNING: It was signed by the contractor.

Mr. BENNETT: Was it signed by the railway company? That is the question.

Mr. DUNNING: Will my hon. friend sit down and permit me to answer?

Mr. BENNETT: I will continue my observations, and then you can answer my question. I ask this question again.

Some hon. MEMBERS: Sit down.

Mr. BENNETT: I asked my hon. friend a question and gave him a chance to answer it.

Mr. DUNNING: He will answer it now.

Mr. BENNETT: Well, answer it.

Mr. DUNNING: I will if my hon. friend will take his seat and let me answer it.

Mr. BENNETT: Well, answer it.

Mr. DUNNING: I am going to answer it.

Mr. BENNETT: You are not going to make a speech, I hope. When I have finished the minister can make a speech.

Mr. DUNNING: My hon. friend will not prevent me from getting this on Hansard.

Mr. BENNETT: Let there be no misunderstanding about the matter. Will the minister say now whether that contract was signed by the Canadian National Railways?

Mr. DUNNING: The hon. member will not let me answer.

Mr. BENNETT: Yes or no? Was it signed or not?

Mr. DUNNING: My turn will come.

Mr. BENNETT: It is easy to bluff but this is not the place for it. Was the contract signed by the railway company?

Mr. DUNNING: I shall answer when the hon. member gives me the floor.

Mr. BENNETT: I knew he could not answer except to say no. The contract was not signed by the railway company. There was therefore no binding contract between the contractor and the railway company, and there was no order in council.

Mr. DUNNING: The hon. member says there was no order in council?

Mr. BENNETT: There was an order in council authorizing it but it was not completed. I desire that there shall be no misunderstanding. The contract with respect to the Vancouver hotel was subject to the approval of parliament and its voting the money with which to discharge the monetary obligation created by contract. This could not be otherwise and the minister has so stated here to-night. He said that wherever there is a monetary obligation imposed on the ratepayers of Canada, it must have the approval of parliament.

Mr. DUNNING: No.

Mr. BENNETT: That is what the minister said a moment ago.

Mr. DUNNING: What I was discussing was the relationship between government, minister and railways, and what I said was that expenditures of magnitude could not be incurred without the minister being consulted and recommending to his colleagues in council an order in council authorizing the expenditure. Hansard will bear me out in that.

Mr. BENNETT: That is exactly what was done, but wherever a monetary obligation is imposed upon the country parliament must vote the money.

Mr. DUNNING: That is right.

Mr. BENNETT: This was subject to parliament voting the money but it had not voted it. The money was to be spent before it was voted.

Mr. DUNNING: No.

Mr. BENNETT: This afternoon the minister read out a statement showing that cars were on order. Did hon. members hear him? He came to this high court of parliament this afternoon and told us that the orders were already given for cars and asked us to vote the money with which to pay for them. These orders were announced in the press, the Wall street Journal and other papers. If the minister will hand me the sheet of paper from which he read this afternoon I will call the bluff at once where it said "on order." Let me have the whole statement.

Mr. DUNNING: That is all the statement I read, every word.

Mr. BENNETT: Let hon. members listen to this:

Proposed new equipment, 1926-27.
Item 12. Fifteen milk cars on order.
Item 15. One electric locomotive on order.
Item 21. Thirty sleeping cars being built under rental contract.
Item 24. Sixty freight refrigerator cars on order.
Item 25. Forty tank cars, on order.
Item 30. One rotary snow plough on order.

Mr. DUNNING: And the money was voted at the last session of this parliament for every one of them.

Mr. BENNETT: If that were true it would be an answer.

Mr. DUNNING: It is true.

Mr. BENNETT: But unfortunately it is not true.

Mr. VENIOT: It is.

Mr. BENNETT: The minister was not here.

Mr. VENIOT: I know the record.

Mr. BENNETT: Judging from the records of the House on that occasion, I think Moses was engaging the attention of the Postmaster General.

Mr. POWER: If the hon. member's party had had a Moses, it might have helped some.

Mr. BENNETT: We had a Moses, but the original Moses was not permitted to see the promised land. Joshua saw it, not he. So we had the Moses but it might be my hon. friends had the Joshua for the moment.

Mr. POWER: I would imagine the Joshua was on the other side of the House as well.

Mr. BENNETT: Parliament did not vote this money.

Mr. DUNNING: It did.

Mr. BENNETT: What happened was that 25 per cent of the estimates were approved. This House passed the balance but they were not passed by parliament. If they were why is the minister asking parliament to vote it to-night?

Mr. DUNNING: I will deal with that when my hon. friend has finished.

Mr. BENNETT: If my hon. friend will make his answer conformable with the facts he will once more agree with me that these various items were on order. Will he say they were not on order without parliament having sanctioned the estimates?

Mr. DUNNING: I say that parliament voted the money for them.

Mr. BENNETT: What parliament?

Mr. DUNNING: Last session.

Mr. BENNETT: Surely my hon. friend has confused two things. The estimates were not passed.

Mr. DUNNING: Did my hon. friend not hear me this afternoon even if he were not in his seat? Last session parliament did vote outright $10,000,000 of the amount we are now discussing.

Mr. BENNETT: Yes, and the $10,000,000 was lent at once by the Department of Finance to the Canadian National Railways. An amount of $7,500,000 was paid over before parliament was dissolved and the other $2,500,000 afterwards, and none of it has reference to this transaction.

Mr. DUNNING: How does the hon. gentleman know that some of that money is not available to pay for cars that are ordered?

Mr. BENNETT: Because the orders under which it was obtained from the Department of Finance disclosed what it was for and these were not the purposes. These matters stand in exactly the same position as the Vancouver hotel. The money for the Vancouver hotel had to be passed by this parliament and until parliament passed it, there was no money with which to pay any estimates or anything else. What the minister said this evening is true; that is where the functions of parliament come in. Parliament must pass the estimates for expenditures of their money for the Canadian National Railway Company before capital expenditures can be made, and it is for that reason that the authority of parliament is being sought to-night, just as the minister stated this evening. We agree with that, and until such time as parliament passed that amount the Vancouver hotel project was without money, —absolutely without a dollar—just as in this case, if we do not pass this estimate for equipment, there would be no money to pay for these various items now on order. The two stand in exactly the same position because they are capital expenditures. I would ask the minister, has any money been paid on account of this equipment thus far.

Mr. DUNNING: Not on account of this particular equipment, no.

Mr. BENNETT: It is on order, and the money is not paid.

Mr. DUNNING: It is not all on order.

[Mr. Bennett.]

Mr. BENNETT: Part of it is on order, and the money is not paid, and when parliament votes the money, it will be paid?

Mr. DUNNING: If parliament does not vote this $31,000,000 at all, with the $10,000,000 that has been already voted we can pay for the equipment that is on order.

Mr. BENNETT: I can only say that I know of my own knowledge that the $10,000,000 is paid.

Mr. DUNNING: What for?

Mr. BENNETT: To meet arrears of interest and matters of that kind. Over $10,000,000 was short in interest charges alone. That is the position with respect to that.

Mr. STEVENS: Mr. Chairman, some reference has been made to the Vancouver hotel, and I observe by the tone in which the reference has been made that apparently some hon. gentlemen are labouring under an entire misapprehension with regard to the matter. I just want to state the facts in regard to the history of this matter. I am not attacking the minister; I think he will agree with the statement that I am about to make.

It was about a year or a little more ago—it was in the month of January—that the city of Vancouver sent its chief counsel, Mr. McCrossan, to Ottawa for the purpose of straightening out certain outstanding differences between the Canadian National railway and the city of Vancouver. I shall not go into details other than to mention very briefly the history of this matter. During the year 1912 or 1913 the Canadian Northern railway entered into a contract with the city of Vancouver whereby the city of Vancouver gave to the railway company 165 acres of land in the very heart of the city, in return for which the railway company undertook certain obligations. One of them was to build a large depot, to cost I think in the neighbourhood of $1,000,000, which depot has been constructed. Another was to construct a tunnel entrance from the Fraser river to the city of Vancouver, at an estimated cost of approximately $8,000,000. Another was to construct, pave, and maintain certain streets through the property; also to provide drainage and outlets for city sewers through this property. In addition the railway company undertook to construct a hotel of 250 rooms in the city of Vancouver, at some location to be decided on, at a cost of approximately $1,000,000. There were other minor obligations which I shall not refer to now.

The war broke out, and the Canadian Northern railway was taken over by the government and now is a part of the Canadian National railway system. During the war, and immediately subsequent thereto, the city of Vancouver made no particular criticism, although the subject was discussed from time to time, of the delay in the carrying out of the obligations by the railway company, but the matter did come to a head, or rather came to a point of acute complaint and discussion about two years ago, when the city claimed through the city council and his worship the mayor that the railway company should carry out the obligations it had entered into. This went on until last January. As I stated, the counsel for the city came to Ottawa and made overtures to the railway company and also to the government to secure a settlement. I understand that the city offered and ultimately agreed to waive some of the minor matters included in the agreement which they were by law entitled to receive. One of these matters was the construction of the tunnel, as it was felt that this was an expenditure not warranted at this time by the traffic. There was one other obligation that I had overlooked, namely, the construction and operation of a line of passenger ships across the Pacific. That was a part of the obligation, but it was not pressed by the city. In return the railway company agreed to construct a hotel, not of 250 rooms, but of 500 rooms—a larger hotel commensurate with the increased needs of the situation. The city waived—I want to make this clear—some of its claims, and this agreement was finally concluded between the city and the railway company during the month of March, if I recall correctly, and Mr. McCrossan went home and made an announcement that a satisfactory arrangement had been made.

I wish to say also that his worship the mayor asked me if I would co-operate with Mr. McCrossan and give assurances to the ministry of my co-operation in assisting to bring about a settlement. I very cheerfully did so. I consulted with the hon. Minister of Public Works of that day, now the Minister of Soldiers' Civil Re-establishment, and I consulted also with my hon. friend the Minister of Railways, and gave him an assurance of any assistance and support that I could give him in bringing about this settlement. I would like to remind the minister, and he will recall, as parliament will recall, that I brought this matter up in the House in the form of a question in the orders of the day upon one occasion. On the 1st of April, or thereabouts, a settlement was arrived at between the railway company and the city, under which this hotel was to be constructed, but it was under an arrangement of this character. A syndicate would construct the hotel, and the national railways were to lease it from the syndicate at a rental to be fixed, which rental was calculated to cover the fixed charges on the cost of the hotel. The syndicate proposed to raise the money by the issue of bonds in the city of New York, which bonds, if I recall rightly, were to be sold at something like 92, and I understand—I am subject to correction as to details—that the rate was 6½ per cent or thereabouts. Now this arrangement was concluded so far as the railway and the syndicate was concerned. The syndicate consisted of Mr. Evans, Colonel Ryan, the contractor, and others, I think, whose names I do not know. This was all concluded so far as the railway and the syndicate were concerned some time about May, I should judge.

Mr. DUNNING: The date is wrong.

Mr. STEVENS: Would the minister correct me in that? I am not quite sure as to the date.

Mr. DUNNING: The arrangement never was concluded.

Mr. STEVENS: Not so far as the minister is concerned.

Mr. DUNNING: Nor so far as the railway company is concerned.

Mr. STEVENS: It was pretty well concluded. It was all concluded to this extent, that the president of the railway gave a letter, and furthermore, authorized the purchase of the property, which property was placed under option by the parties referred to. Let me make this clear: There was absolutely no politics in it.

Some hon. MEMBERS: Oh, no.

Mr. STEVENS: Let me just state who these gentlemen were. First of all there was the mayor of the city, Mr. L. D. Taylor, all his life a Liberal; Mr. McCrossan, all his life a Liberal; the contractor, E. J. Ryan, a Liberal of note. These are the gentlemen who were negotiating this agreement. The mayor asked me to co-operate. The minister knows I co-operated with him and gave every assistance I could to bring about a happy solution of the difficulty between the railway and the city. The whole thing centred around this outstanding agreement. During the hectic days of June, the last month of the session, nothing was done in

connection with the matter. When the government changed, his worship the mayor wired me—I have not the wire before me—asking me if I was going to take the same stand I had taken in support of Mr. McCrossan and the city council when we were in opposition, and I immediately wired him "Yes." We made no change whatever in the negotiation except one, and by the way I should have made it clear that the one thing remaining to be done was the authority of the government by order in council—

Mr. DUNNING: Hear, hear. And the authority of parliament, if expenditure was involved.

Mr. STEVENS: Yes. My hon. friend from West Calgary (Mr. Bennett) is quite clear on that, but no order in council had been passed.

Mr. DUNNING: You will be fair enough to me to say that I consistently refused to ask such authority in connection with that matter.

Mr. STEVENS: I could not say as to that. I take my hon. friend's word for it.

Mr. DUNNING: I told you so.

Mr. STEVENS: I do not recall that.

Mr. DUNNING: My colleagues all know it.

Mr. STEVENS: I am not questioning that at all. The fact remains that at that time it was not authorised by order in council. The matter then came before the new government. The Minister of Railways at that time, the hon. member for West York (Sir Henry Drayton) I think—

Mr. DUNNING: Acting minister.

Mr. STEVENS: Yes, that is quite true. My hon. friend is entitled to his little quip, if he enjoys it. The Minister of Railways at that time contended that instead of approving of a contract such as that which was outlined, namely, the erection of the hotel by a syndicate which would entail a heavy interest cost per annum, it should be provided out of the public funds which were under the control of the railway company, and so the order in council was framed along that line. It was found, and so stated by the railway officials, which the minister can verify, that a saving of fifty to a hundred thousand dollars a year would be made in interest alone if the financing were done under the aegis of the railway rather than by a syndicate, and so an order in council was passed, the order in council referred to by the hon. member for West Calgary (Mr. Bennett), approving of the railway's arrangement with the contractor and with the city of Vancouver; and I want to point out that this hotel contract was a part of the solution of the difficulty with the city of Vancouver and the outstanding dispute. I do not think the minister will contend that the city is not entitled to the carrying out of the agreement for which it turned over the 165 acres of land in the heart of Vancouver, an agreement entered into in good faith by the city and the railway company. I do not think Sir Henry Thornton or the railway directors or management ever had any intention of doing otherwise than carrying out that agreement, with this exception: that in the passage of time it was found that some expenditures were perhaps not wise and not necessary and that a saving could be made, and as I have already stated, the city council of Vancouver approved of the waiving of eight million dollars on the tunnel and also some other matters to bring about a settlement.

Mr. BENNETT: And the ships on the Pacific.

Mr. STEVENS: Yes. I do not think the ships on the Pacific were actually named in the resolution which contained these terms, but they were not being pressed. It was a distinct saving to the railway company and to the country.

In so far as the need of the hotel in Vancouver is concerned, there is a situation there which I think parliament ought to take note of. I am no enemy, as the minister is no enemy, of the great Canadian Pacific Railway. In common with many other Canadians, I recognize that it is a wonderful system, well operated and a model of business capacity, but at the same time it does seem to me preposterous that the Canadian National railways, when it comes to that terminal point should turn over all its passenger traffic to the Canadian Pacific railway hotel, which is the one outstanding hotel of Vancouver. The passengers are taken from the Canadian National depot to the Canadian Pacific hotel, and without any question, the business of the management of the Canadian Pacific is, as far as possible, to influence and divert traffic to their own channel. If they did not do that they would not be serving their own interest. The consequence is that the Canadian National directors I think recognize, without any question whatever, that it is highly desirable and necessary that the Canadian National railway should have an hotel at that terminal. As far as I am concerned, I do not care who builds it, or how it is built, as long as we can get an hotel in the city of Vancouver for two purposes; first, to serve the Canadian National railway, and second, to keep faith with

the city of Vancouver in regard to the agreement of 1913. As far as the minister is concerned I want to say that in any conference or conversation that I have had with him on the subject during the months of, I think, February and March, possibly April and May, he always treated Mr. McCrossan and the representatives of the city and myself with courtesy, fairness and consideration. I have no complaint, and I am not criticizing him in the slightest degree. I wish to point out that any action taken so far as the government headed by Mr. Meighen was concerned was taken as, shall I say, continuing the arrangements partially entered into by the national railway; in fact, I think the minister will agree with me in this, that the terms of the settlement, if not, indeed, the actual settlement between the railway and the city, was arrived at long before the change of government. I know that the resolution of the city council of Vancouver approving terms and waiving its rights was passed long before there was any change of government. I think the minister will agree with that. I do not happen to have it before me but I can obtain it, and I know I am right.

Mr. DUNNING: It was passed before, but not long before.

Mr. STEVENS: Not long before. I am only trying to show that the matter was a question of good faith between the railway and the city. Furthermore, in authorizing the purchase of the land, Sir Henry Thornton acted in perfect good faith and in conformity with the arrangement made with the city and with the syndicate. I urge the minister to lend his co-operation and either to revert to the suggestion of the syndicate, if it is thought better—I see that form is followed in Toronto —and allow the railway to secure accommodation in Vancouver, or to adopt the principle which we adopted, namely, the construction of an hotel financed by the national railway. But in any case let us have the accommodation at the city of Vancouver to serve the national railway as I think it ought to be served. I think that is a fair statement of the case.

Mr. DUNNING: Mr. Chairman, there are a few points that very naturally I want to deal with regarding my usually genial friend from West Calgary (Mr. Bennett). First, with regard to politics on the part of the officers or men of the Canadian National Railway. I was struck with surprise to hear such a charge from his side of the House, and there are scores of hon. gentlemen behind me who must also have been equally surprised, because I know that more than one-half of the members on this side of the House have reproached me with complaints regarding the Tory activities of the employees of the Canadian National Railway.

Mr. McGIBBON: It worked the other way, don't be alarmed.

Mr. DUNNING: Well, I venture to say if my hon. friends had been as frank with the people regarding their opinion of the Canadian National management before the election as they have been to-night we would have had a very much larger representation on this side of the House. They concealed their love for the president and the management of the Canadian National Railway; they revealed it only after the event.

Now, with regard to the Vancouver hotel situation, let me say to my hon. friend from Vancouver Centre (Mr. Stevens) that I do not propose to discuss any of the obligations which the Canadian Northern Railway may or may not have incurred towards the city of Vancouver, for the reason that I am informed that the city of Vancouver has taken legal action in regard thereto.

Mr. STEVENS: I quite agree with my hon. friend, and I hope he is not suggesting that I was trespassing in discussing a matter that was before the courts. I merely stated the historic fact by way of introduction.

Mr. DUNNING: I think my hon. friend is quite enough of a politician to take care of himself along that line. As the matter is pending before the courts, I do not propose to say anything touching that phase of it.

Mr. STEVENS: Quite so.

Mr. DUNNING: But I can deal with the proposal to build a hotel in Vancouver without entering into a discussion of any contractual relations which may have reference to it. Last spring when I came down here first as Minister of Railways this was one of the things on my doorstep. Everything was arranged. All I had to do was to give approval, as minister, of an arrangement for a syndicate to build a hotel in the city of Vancouver for the Canadian National management. I may as well tell the House on this occasion as well as any other that I have an inherent suspicion of any proposal on the part of a group of philanthropic citizens to erect either hotels or office buildings for the Canadian National Railway Company. I have a very strong leaning towards the Canadian National building its own utilities with money voted by this parliament, rather than under any arrangement whereby third parties, however created, should do the work.

Mr. BENNETT: Hear, hear.

An hon. MEMBER: You have put your foot in it.

Mr. DUNNING: Have I? Perhaps my hon. friend can point out one single case where, as Minister of Railways, I ever authorized an arrangement of that kind. I will give him an opportunity to do so now.

An hon. MEMBER: Get up.

An hon. MEMBER: Come along!

Mr. DUNNING: If I have occasion at any time to change my views in connection with this particular matter I shall expect to come on the floor of the House and give good reason therefor. As to the Toronto office building, my hon. friend from West Calgary well knows that from the first day I refused to approve of an arrangement whereby a syndicate would buy property from the railway, erect a building for the railway, and then rent it to the railway.

Mr. BENNETT: Hear, hear.

Mr. DUNNING: I disapproved of it, I refused to endorse it, and I have kept on refusing to this day.

Mr. BENNETT: But the arrangement was made before my friend's time.

Mr. DUNNING: The arrangement never was completed.

Mr. BENNETT: I know, but they took possession.

Mr. DUNNING: The arrangement never was completed and they never took possession.

Mr. BENNETT: Go and look at the building now.

Mr. DUNNING: I believe I am correct in stating that before my time the property was vacated.

Mr. BENNETT: The railway moved out.

Mr. DUNNING: But as a matter of fact the arrangement never was completed. My predecessor as Minister of Railways, the Right Hon. Mr. Graham, refused to authorize the revival of an arrangement which had lapsed.

Mr. BENNETT: My hon. friend is right, but the railway vacated the building and there is now a claim pending in the Exchequer court for a million dollars damages.

Mr. LAPOINTE: They will not get much out of it.

Mr. BENNETT: You and I will not anticipate that.

[Mr. Bennett.]

Mr. DUNNING: I do not want to branch into a subject which possibly is in litigation, but I certainly think that a government which permitted a claim of that kind against the crown even to go to the Exchequer court is open to very serious criticism indeed.

Mr. BENNETT: The poorest subject has a right to go before the court.

Mr. CANNON: But this case went by an order of reference.

Mr. DUNNING: My hon. friend the Solicitor General (Mr. Cannon) is looking after that. I sometimes thank goodness that I am not a lawyer; but a lawyer of the capacity of the Solicitor General is very useful to have around on occasions. With regard to the Vancouver hotel, my hon. friend from Vancouver Centre knows well that I consistently, and this government in its previous existence consistently, refused to authorize the arrangement whereby a syndicate—no doubt of estimable gentlemen; no doubt they were both Liberals and Tories—were going to build a hotel for the Canadian National and lease it to the Canadian National. Ostensibly they were going to make money out of it. I expect so. When the Canadian National builds a hotel in Vancouver, if it ever does, it will be built straightforwardly with money voted by this parliament for the purpose—at least, so far as I am concerned and so far as the present government is concerned.

Mr. STEVENS: I think the hon. minister will concede that I tried to do him justice. Will he not now admit that that is precisely a term of the order in council which we passed, that the hotel should be built out of moneys voted by parliament for that purpose?

Mr. DUNNING: I will come to that. I am willing to do my hon. friend from Vancouver Centre this justice, that he was willing to support me in giving Vancouver a hotel any old way at all; and I am willing also to admit that when he had a measure of responsibility as a member of a temporary government, he was very careful not to do it in the precise way in which it had been urged upon me as Minister of Railways of this country.

Mr. STEVENS: My hon. friend is scarcely fair. I think he wants to be fair. He told me himself that he did not think it was possible to get a vote through parliament for the construction of the hotel when we discussed the building of it in the manner he now mentions.

Mr. DUNNING: That is quite right. And I doubt very much if it would be possible to get a vote through the House for the building of the hotel to-day. But to continue my story. To listen to my hon. friend from Vancouver Centre, one would almost get the idea that this deal whereby a syndicate was to build a hotel in Vancouver for the Canadian National, and rent it to the Canadian National, was all but completed when the stormy times of last June commenced. The actual fact of the matter was that the people concerned were in the position of the importunate widow—they were continually asking and were continually being refused. That is the whole position. There never was on my part or on the part of the government any indication at any time of consent to that proposal. When my hon. friends came into office nothing was done immediately; but during the election, while the campaign was on, word went out that a $5,000,000 hotel had been authorized to be built at Vancouver by the Canadian National Railways on a cost plus basis. The former Minister of Finance, the hon. member for West Calgary (Mr. Bennett) would have the House and the country believe that it was made plain at that time that this hotel was to be built, and the money spent, only provided parliament voted the expenditure.

Mr. BENNETT: That is the law; that is the statute law.

Mr. DUNNING: That is the law, but my hon. friend is the prophet. It will be plain to the House how clever he is in putting forward that explanation—and I always take off my hat to his cleverness in debate—when I tell the House that this proposal, which was to be proceeded with only if parliament approved, first involved the expenditure of about a quarter of a million for land—and they spent it—if parliament approved. But the men who owned the land now have the money and we have the land—"only if parliament approved."

Mr. BENNETT: That is absolutely correct.

Mr. DUNNING: My hon. friend asked the question, which he would not allow me to answer, whether the contract was signed by the railway company. Well, because he is so insistent upon an answer I must tell the committee something which I did not deem of great importance but which assumes an importance under the circumstances. After the government of which my hon. friend was a member was sent into opposition by the people of Canada last September, and just a few days before the new government now in office was sworn in, I received a visit from the Deputy Minister of Railways. I wanted to know what he came to see me for. The Hon. Mr. Black was Minister of Railways and Sir Henry Drayton was acting minister. The deputy minister told me that he came to see me on instructions from Sir Henry Drayton, to consult me as to the desirability of the railway officials signing the contract for the Vancouver hotel which had been authorized and which had been signed by the contractor and was back for signature by the officials of the railway company. That is how far he went.

Mr. BENNETT: He referred it to the new minister.

Mr. DUNNING: Quite properly; I hope the committee will not misunderstand. I am not now criticizing the action of the hon. member for West York (Sir Henry Drayton) in instructing the deputy minister to consult me in regard to the matter, although how he knew that I was to be Minister of Railways I do not of course know.

Mr. BENNETT: Coming events cast their shadows before.

Mr. LAPOINTE: It was a strong assumption.

Mr. BENNETT: Yes.

Mr. DUNNING: In any event it was perfectly proper for a member of the defeated government not to sign that contract under the circumstances.

Mr. BENNETT: It was the railway company who would sign it in any event.

Mr. DUNNING: Well, not to authorize the railway company to sign it. But I ask the members of the committee whether they are credulous enough to believe that that contract would not have been signed had my hon. friends been returned to power. The assumption is too absurd for words. As a matter of fact, the political campaign of hon. gentlemen opposite, who now represent the city of Vancouver, was based upon the building of that hotel and the building of it immediately. Are they now, in the language of the hon. member for West Calgary, going to admit frankly that they deceived and deliberately deceived the people of Vancouver in connection with the building of that hotel? Every newspaper and every political speech made by hon. gentlemen opposite who were candidates in Vancouver

conveyed the impression to the people of that city that the land was bought, that they were going right ahead, that the contract was being let, that the hotel was to be built forthwith in Vancouver. To-night is the first occasion on which I for one have heard the statement that it was quite clear that the hotel was to be gone on with only if parliament approved. I never heard of it before.

Mr. STEVENS: Will the minister permit me—

Mr. DUNNING: I will permit anything.

Mr. STEVENS: One of the bitterest criticisms of myself was that after coming into office I supported the construction of that hotel in Vancouver. I was criticised and bitterly criticised by my own friends as well as by opponents, but I want to assure the committee that the building of the hotel did not constitute a fraction of the appeal that I made or that any of my colleagues made to the people of Vancouver. Furthermore, this criticism was levelled at me—

Mr. DUNNING: I protest; I did not inflict this on my hon. friend.

Mr. STEVENS: I know that in his heart my hon. friend does not wish to be unfair. I appreciate his desire to be just. He will therefore allow me to finish my statement. The criticism was also made—and this is where the political side of it comes in—that we were approving of something that was handled entirely by opponents of ours, and I told the mayor of the city that my action would be the same towards the proposition, as the records will show, after the change of office as before.

Mr. CLARK: Mr. Chairman—

Mr. DUNNING: I had the floor and I permitted my hon. friend (Mr. Stevens) to interrupt, but I must object to further interruptions.

Mr. CLARK: I want to correct my hon. friend.

Some hon. MEMBERS: Order.

The CHAIRMAN: Order.

Mr. CLARK: This is a matter of privilege. The minister made the statement that I personally appealed to the electors of Vancouver on every occasion in the manner he has described. I want to say in answer to that statement that it is absolutely incorrect and without foundation. So far as I at any rate am concerned, not on one platform did I mention the hotel in Vancouver, nor did any speaker refer to it on any platform on which I stood. To the best of my recollection no mention was ever made of that hotel. I ask the minister, as regards myself at least, to withdraw his statement.

Mr. LADNER: I rise to the same question of privilege. The minister in his vigorous style sometimes uses extravagant and incorrect language. So far as his words refer to myself, the statement he has made is incorrect, because on no occasion did I ever refer—

Some hon. MEMBERS: Oh, oh.

Mr. LADNER: I am making this statement as a member and a gentleman and I want to be heard. I say, on no occasion did I ever refer to the Canadian National Railways in connection with this hotel in any of my speeches to the people. The minister should be careful in his statements.

Mr. SPENCE (Maple Creek): How did the people of Vancouver find out that they were going to get the hotel?

Mr. LADNER: Through the usual channel, the press.

Mr. DUNNING: If it will please my hon. friends opposite, I am quite prepared to believe their statement that they made absolutely no political capital out of the fact that during the election campaign the government of which my hon. friend was a supporter authorized the expenditure of $5,000,000 on a hotel in Vancouver. I am prepared to accept that statement.

Mr. CLARK: Be a man and withdraw the statement. Be a gentleman.

Mr. DUNNING: Mr. Chairman, I will—

Mr. CLARK: I should like to believe that my hon. friend is a gentleman and that he will withdraw and apologize for his statement.

Mr. DUNNING: I am quite content to let the facts speak for themselves.

Mr. CLARK: State the facts.

Mr. DUNNING: I am quite convinced that my hon. friend never mentioned the Vancouver hotel during his election campaign. That is what he says and I accept his word.

Mr. CLARK: I said more than that.

Mr. DUNNING: More than that?

Mr. CLARK: Yes.

Mr. DUNNING: Nobody on my hon. friend's behalf mentioned the Vancouver hotel.

Mr. CLARK: There was no such appeal made on my behalf.

Mr. DUNNING: I accept that statement—that neither my hon. friend nor anybody on his behalf in his election campaign—

Mr. LAPOINTE: Nor any newspaper.

Mr. DUNNING: Nor any newspaper, nor anyone with whom my hon. friend had to do for the purpose of getting elected mentioned the Vancouver hotel.

Some hon. MEMBERS: Oh, oh.

Mr. DUNNING: But referring to matters specifically before the House, the hon. member for West Calgary referred to my statement that in regard to every item here mentioned as being "on order" the railway company had sufficient money to pay for that equipment when delivered.

Mr. BENNETT: That was not the question at all.

Mr. DUNNING: My hon. friend read out a few items of the long list I read this afternoon and which had following them the statement "on order". I have totalled up the amount involved and if my figures are correct, and I believe they are, it amounts to $833,000 out of a proposed expenditure of twenty million. I would point out to the House that one-third of the total thirty-one millions which is now before the House was voted at the last session of parliament, that the money was paid out to the Canadian National Railways, and I make the statement that it was quite proper for the Canadian National Railway Company to pay for that portion of the equipment which is "on order"—that they were quite right in doing so. As to the orders in council to which my hon. friend refers, outlining the purposes for which the advances were made to the Canadian National Railway Company while he was Minister of Finance, I have not received them, but I have sent for them.

Mr. BENNETT: They were made before my time.

Mr. DUNNING: I understand there were orders in council.

Mr. BENNETT: That is what I say. There were seven and a half millions obtained before our time.

Mr. DUNNING: And two and a half millions since.

Mr. BENNETT: After you came back.

Mr. DUNNING: Yes. The point is, in connection with the small proportion of this proposal which is "on order", that there is authority to pay the money required to be paid.

Mr. BENNETT: That money has been all spent otherwise.

Mr. DUNNING: No.

Mr. BENNETT: The whole of the ten millions has been spent otherwise. The deputy will tell you that. I know whereof I speak.

Mr. NEILL: May I say that I live in British Columbia and have access to the daily papers published in Vancouver. As a loyal British Columbian I feel somewhat inclined to support the attitude of the hon. member for Vancouver Centre (Mr. Stevens) who made a reasonable statement as to the claims of that city. I certainly hope they get the hotel built if they are entitled to it. But when it comes to statements made by his colleagues that they never in any way used this question to promote their political ambitions I must take them with a great deal of gravity. I heard the hon. member for West Calgary (Mr. Bennett) this evening describe what he considered was the nature of that transaction. He called it a contract but he admitted in answer to a question from the Minister of Railways that it was a contract that was not signed by the railway company. That would be somewhat similar to the position of a man who might come to me and say "I have sold you a house". To that I would say, "Oh, have you, I did not know it." "Oh, yes, I have sold you a house because I have got the contract signed." To that I would say, "Have you? I did not sign it," evoking a reply, "No, but I signed it." That is the position the hon. member for West Calgary tells us was the correct one. But that was not the position that was represented to the people of Vancouver. I did not hear those hon. gentlemen say anything about the matter, but in the newspapers friendly to them there was displayed, in such big headlines that there was barely room for anything else on the page, "The contract is signed". There was nothing mentioned to show that it was signed only by the contractor and not by the railway company; that point was not brought out. That modification was not set forth even in the small print that is customary in setting forth the composition of patent medicines. That important detail was omitted entirely. Of course I was more particularly interested in the election in Comox-Alberni, but I saw the daily papers of Vancouver and I would say offhand and subject to criticism that as near as I could guess the campaign of their party in that city consisted to the extent of one-

third, customs scandal, one-third attacking the old age pension legislation, and one-third enthusing about the building of this big hotel.

Mr. ROSS (Kingston): Did the minister make the statement that the value of these orders amounted to only $800,000?

Mr. DUNNING: I calculated the amount from the sheet supplied me by the management and which I lent a few moments ago to my hon. friend (Mr. Bennett)—that is I calculated the items stated to be "on order". It is true that within the last few days, knowing the near approach of the session of parliament, orders may have been given with the assurance that parliament was going to deal with the matter, subject to cancellation before any work was done. Even from a technical standpoint I cannot see that the management has not been correct in giving orders subject to the authority of parliament.

Mr. HEPBURN: The minister made the statement that it was the intention of the Canadian National Railway management to spend in the United States a portion of the money to be used in purchasing equipment for the American lines forming part of the system. I should like to point out to him the situation in southern Ontario. Despite the tremendous traffic that part of Canada yields American lines, they have in the last few years practically reduced the construction of cars and the repairs done in their shops in Ontario to a minimum. The result has been that many men have been laid off and the local municipalities have a serious situation to deal with. Is there any way by which this House can compel the American lines operating in that part of Canada to give to Canadian workmen a portion of the work that justly belongs to them? Last year in the estimates there was an appropriation to build new shops for the Canadian National at St. Thomas. I ask the Minister of Railways if it is still the intention of the railway management to go on with these shops, and if not what reason they assign for changing their plans.

Mr. DUNNING: I found it rather difficult to hear my hon. friend but I gather that his remarks had relation to the desirability of getting as much of this work done in Canada as possible. Am I correct in that?

Mr. HEPBURN: I should like to point out that in the last few years the American lines have practically discontinued the construction of new cars and are doing no major repairing. They have shops equipped for that purpose but they are not using them; they are not making any major repairs in Canada. I am speaking about the Michigan Central Railway in particular. Are there any customs regulations or anything that would compel them to do a proportionate share of this work in Canada?

Mr. DUNNING: As I stated this afternoon, the Customs department is watching the situation in that regard; but I would point out to my hon. friend that a great deal of American equipment passes from the United States into Canada and out again just in the same manner as our equipment does, and in such cases the customs regulations of both countries permit the passage through and repairs can be made on either side. I shall be glad to make further inquiries in reference to the point raised by my hon. friend which really has no bearing upon the particular estimates before the committee, although this is a proper time to mention it in any event.

Mr. BENNETT: I know the minister will be very glad to have his attention directed to the fact that the national railway makes contractual commitments before parliament has voted the money, because in the Kingston Standard-Whig of Wednesday I find a despatch from Montreal indicating that the first of a series of orders was received on Saturday by the Canadian Car and Foundry Company, Limited, for $2,000,000 for some of the very equipment that has been mentioned to-day and that orders are now to go to Kingston to the locomotive company for the work that has to be done there. Apparently this is an inspired despatch because it describes where the contracts are to go with regard to the Grand Trunk eastern lines. I merely state that this illustrates the point I was endeavouring to make, namely that the railway company makes contractual commitments before parliament has voted the money, and it is desirable that there should be some uniform system with respect to the matter if it is to be followed along the line suggested by the minister himself. This record indicates clearly what is taking place with respect to the Canadian Car and Foundry Company.

Mr. DUNNING: My hon. friend will surely recognize that that article says merely what the newspaper believes has happened.

Mr. BENNETT: It is a despatch from Montreal.

Mr. DUNNING: Quite likely, but it is not a Canadian National official statement.

Mr. BENNETT: Yes it is. It says that they have placed orders for new equipment.

Mr. DUNNING: Who says that?

Mr. BENNETT: The newspaper says that the Canadian National has done so.

Mr. DUNNING: It does not officially quote the Canadian National.

Mr. BENNETT: We will ascertain if the contracts have not been made.

Mr. DUNNING: My information regarding that point is simply this: The railway company has been pressing very hard to be allowed to get into a position where this equipment will be on order, as much of it will be very badly required before it is delivered and deliveries will stretch over a year or more of this particular equipment. Sir Henry Thornton on the last occasion when he discussed the matter with me stated, "I must move forward." I said, "Very well, there is nothing to prevent you from going through all the preliminaries of calling for tenders and getting your prices so that you will be in a position to act with the utmost expedition once we have dealt with the matter in parliament."

Mr. BENNETT: Will the minister inquire whether or not on Saturday last a contract was let to the Canadian Car and Foundry Company for $2,000,000 worth of equipment, and let parliament know the result?

Mr. DUNNING: I will.

Mr. BENNETT: If he does I am satisfied he will find that a contract has been let.

Mr. DUNNING: The deputy minister is a director of the company and he advises me definitely that such a contract has not been let.

Item agreed to.

Loan to the Canadian Government Merchant Marine Limited, repayable on demand with interest at a rate to be fixed by the Governor in Council, upon such terms and conditions as the Governor in Council may determine, and to be applied in payment of:—

(a) Deficits in operation of the company and of the vessels under the company's control during the year ending March 31, 1927.

(b) Capital expenditure in connection with the vessels under the company's control, $600,000.

Mr. GUTHRIE: Will the minister give a word of explanation about this appropriation?

Mr. DUNNING: This appropriation is identical with the material submitted to the special committee one year ago. There is no change.

Mr. BENNETT: Is it for the year ending March 31, 1927?

Mr. DUNNING: Yes.

Mr. BENNETT: There is nothing for next year?

Mr. DUNNING: There is nothing in any of these estimates for next year.

Item agreed to.

Resolutions reported, read the first and second time and concurred in.

WAYS AND MEANS

SUPPLY BILL

Hon. CHARLES A. DUNNING (Minister of Railways and Canals) moved that the House go into committee of ways and means.

Motion agreed to and the House went into committee, Mr. Johnston in the chair.

Mr. DUNNING moved:

Resolved that towards making good the supply granted to His Majesty on account of certain expenses of the public service for the fiscal year ending March 31, 1927, the sum of $21,400,000 be granted out of the consolidated revenue fund of Canada.

Motion agreed to.

Resolution reported and concurred in. Mr. Dunning thereupon moved for leave to introduce Bill No. 58, for granting to His Majesty certain sums of money for the public service for the financial year ending March 31, 1927.

Motion agreed to and bill read the first time.

On motion of Mr. Mackenzie King the House adjourned at 10.30 p.m.

Friday, February 11, 1927

The House met at three o'clock.

RULES OF THE HOUSE

MOTION FOR SPECIAL COMMITTEE TO CONSIDER REVISION

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

That a special committee consisting of His Honour, the Speaker, Hon. J. C. Elliott, Hon. W. D. Euler, Hon. Ernest Lapointe, Hon. Charles Marcil, Mr. J. Fred Johnston, Mr. D. F. Kellner, Mr. T. W. Bird, Mr. R. B. Hanson, Mr. W. A. Boys, Sir George Perley, Mr. George Black (Yukon) and Mr. Finlay Macdonald (Cape Breton South) be appointed to consider with His Honour the Speaker the advisability of revising the rules of the House, and to report to the House at the present session.

Hon. HUGH GUTHRIE (Leader of the Opposition): In order that the committee may not overlook the point, I think it would be well if they would take into consideration, in addition to the matters that were considered by the former committee, the method in which divisions are recorded in this chamber. As a rule it takes from twenty-five to thirty-five minutes to record the vote of a House of two hundred and forty-five members, whereas in the parliament of Great Britain that operation is performed, on the average, in eight minutes although the membership of that body is something over six hundred. Now, the conditions here are especially favourable to the adoption of the English system; we have lobbies adjacent which can be utilized, and I trust that the committee which meets this session will consider the suggestion.

Motion agreed to.

CARILLON POWER DEVELOPMENT

Right Hon. W. L. MACKENZIE KING (Prime Minister): I desire to lay on the table copies of orders in council relative to power development on the Ottawa river at Carillon falls, which were requested by the hon. leader of the opposition.

HEALTH AND PROPRIETARY MEDICINES ACTS

Hon. J. H. KING (East Kootenay): I beg to report that no regulations have been made under the Health Act or under the Proprietary Patent Medicines Act since the last session of parliament.

THE LATE MR. J. K. FLEMMING

Right Hon. W. L. MACKENZIE KING (Prime Minister): Before the orders of the day are called may I be permitted, Mr. Speaker, to make mention of a loss this House has sustained, and which at the moment is much in the minds of all present. For the third time, in the brief interval which has elapsed since this parliament assembled, we have been called upon to pause in the proceedings of this House and refer to the death of one of our number. The speech from the throne had just been read when we learned of the death of an hon. member from the province of Nova Scotia. At the beginning of the present week we had occasion to refer, as we reassembled after our brief recess, to the death of another honourable member, this time from Ontario. And to-day, ere the week is over, we are called upon to record the death of yet another of our number, an hon. member from the province of New Brunswick. All three were present with us and took their seats at the opening of the present session, the proceedings of which have only thus far little more than commenced. I do not believe that in the history of our parliament the House of Commons has been called upon to mourn in so brief a space of time the loss of so many of its members; certainly never before were like losses in its membership sustained upon the very threshold of a new parliament.

The Hon. J. K. Flemming, whose death occurred yesterday, was the member for Carleton-Victoria. He entered this parliament at the general elections of 1925 and was present through the greater part of last session, which, as is well known, was also the last parliament. He was returned again at the general elections of 1926. Though in parliament but a short time he was a conspicuous figure, having some years ago occupied the position of premier of his native province. Though faithful in his attendance in this House, his voice was not heard on more than one or two occasions, partly no doubt because it was his first session in the federal parliament and partly due no doubt also to the ill-health from which he suffered. In the short time he was here, his kindly and pleasing personality won for him many friends among men of all parties.

The Hon. Mr. Flemming was born in Carleton county on April 27, 1868. His life was, for the most part, identified with the county of his birth and the affairs of his native province, of which, in the year 1911, he became the premier. After receiving an education at the common schools, he graduated from the provincial Normal school and followed for a time the profession of teaching. Later he engaged in commercial and industrial pursuits. For a time he was a travelling salesman and merchant; subsequently he became actively interested in lumbering operations and the development of the lumbering industry.

Mr. Flemming was a leader of the Conservative party in the province of New Brunswick. Practically all his life he took an active interest in public affairs. He encountered at the outset two defeats in his candidature for the legislature of his province. That was in 1895 and 1899, but in a by-election in 1900 he was returned to the legislature; and from that time on his rise to prominence in the affairs of his province was unbroken and rapid. He was re-elected to the legislature in 1903 and 1908. In the latter year he became Provincial Secretary and Receiver General in the cabinet of Sir Douglas—then Mr.—Hazen, and on the resignation of Sir Douglas Hazen in 1911, when Mr. Hazen entered the cabinet of Sir Robert Borden, Mr. Flemming succeeded to the premiership

of the province; this position he held until the close of 1913, at which time, suffering from ill-health, he resigned both the premiership and his seat in the legislature.

From 1914 until 1925, when he was nominated to contest Victoria-Carleton in the interests of the Conservative party and was returned as member to this parliament, Mr. Flemming had practically retired from active politics. Whilst to some extent he regained his health and strength, he nevertheless suffered one or two serious illnesses during this period of retirement and hon. members who were with him in this parliament at the last session will recall that he suffered considerably at times through the impairment of his health. When, therefore, it was learned a few days ago that he had again to undergo an operation there were many who greatly feared the outcome.

May I, speaking for hon. members on this side of the House, say that we join with hon. gentlemen opposite in greatly regretting the loss which the House has sustained, and which will be particularly felt by my hon. friend the leader of the opposition and those who support him; and that we share with them the sympathy which we hope you, Mr. Speaker, will kindly convey, in the name of the Commons as a whole, to the widow and sons and daughters of our late colleague, who have been so greatly bereaved.

Hon. HUGH GUTHRIE (Leader of the Opposition): Mr. Speaker, on behalf of those who sit on your left in this chamber, may I thank my right hon. friend the Prime Minister (Mr. Mackenzie King) for the befitting and generous tribute which he has just paid to the memory of one whom we held in great respect, whom we held very dearly in this quarter of the chamber. I did not know the late Mr. Flemming personally until he came here for the first time about two years ago; but one was at once struck with his ability, with his kindheartedness, with his wonderful fund of information in regard to public affairs in this country. What struck me most was that even as far back as a year or two ago he seemed to have himself a realization that he was afflicted with some malady which would in the near or distant future result fatally. He told me last session that his health was rapidly failing and he did not know how long he would be able to continue. But he always exhibited patience, cheerfulness and courage, although he was well aware that the vital forces were daily growing weaker and weaker.

He was a man of outstanding ability, a very able speaker, an excellent debater, a man who had risen to the highest position in his native province, and who, had he been spared in this chamber, would have proved to be one of the ablest and most useful of our membership. But during all the time that he sat in this chamber I am satisfied that he had a hard fight against the ill health which constantly pursued him. I am sure that the whole chamber will deeply regret his death. We on this side realize that we have suffered a tremendous loss. We have lost a political friend, a personal friend, and a great ally in the Conservative party.

Mr. ROBERT GARDINER (Acadia): Mr. Speaker, on behalf of the members who sit in this corner of the chamber, may I say that we desire to be associated with the message of sympathy and condolence to be expressed to the widow and other relatives of the late Mr. Flemming. We particularly in this corner did not know Mr. Flemming very well, but he always seemed to us to be very cheerful and we thought he was in fairly good health. Circumstances have decreed otherwise, and we in this corner of the chamber, as we all must, very much regret his loss. We desire, therefore, to be associated with this message of sympathy.

SELKIRK PULPWOOD CONCESSIONS

On the Orders of the Day:

Mr. L. P. BANCROFT (Selkirk): I would like to ask the government the following question: Has an application been received by the Department of the Interior for a pulpwood concession sufficient to warrant the building of a pulp and paper mill at Selkirk, Manitoba? If so, what progress has been made in the negotiations and will the government give an assurance that this application will receive the same consideration as was, or may be, given to the Manitoba Pulp and Paper Company, who recently established a mill at Pine Falls?

Hon. CHARLES STEWART (Minister of the Interior): The department are not in receipt of—

Mr. SPEAKER: Such questions are out of order; they ought to be put on the order paper. But if the minister can make a brief answer, I will allow it.

Mr. STEWART (Edmonton): I am quite prepared to answer. No application has been received for the construction of a mill at Selkirk. We have had an application from the Backus interests for territory in Manitoba for the construction of a mill in the vicinity of Winnipeg; but as that application was based on stumpage dues for all territory north of township 46 in Manitoba and only an offer of twenty cents of a bonus south of the boundary, we did not give it favourable consideration.

IMMIGRATION

GUARANTEED EMPLOYMENT

On the Orders of the Day:

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Is the Minister of Immigration aware that agents for the Canadian National Railways are offering guaranteed employment to immigrants to this country and that some of those who have been guaranteed employment are now in absolute destitution in the cities of western Canada? I should like further to ask what can be done in such a matter as this.

Hon. ROBERT FORKE (Minister of Immigration and Colonization): I have no information of any destitution anywhere in the Dominion at the present time.

Mr. WOODSWORTH: May I not secure from the Minister of Immigration an answer to my question? If I may repeat it, I said the Canadian National railway agents were guaranteeing employment to immigrants to this country, that some of these immigrants are now destitute, and I ask what can be done by the Minister of Immigration under these circumstances. I am prepared to offer proof of my statement. I think it is only fair that I should have an answer as to what can be done by the Immigration department when a serious state of affairs such as this exists, when men are coming to this country under an agreement that they are to be provided with work—I have a printed copy here to that effect—and then when they get here become a burden upon our cities.

Mr. FORKE: If the hon. gentleman had given me a little notice that he was going to ask this question I would have been able to reply to him much more fully. I am a new minister just starting out, and I was taken a little by surprise. The Canadian National Railway Company do undertake to find employment for immigrants they are bringing out to this country. I have heard that there has been unemployment in some of the towns in Canada. For instance, we had complaints from Calgary that a certain number of immigrants landed there by the Canadian National Railway were destitute. We made inquiries and found out that employment had been found for all these immigrants from whom we had complaints. I had a communication from the Minister of Labour (Mr. Heenan)—and I can assure my hon. friend that the Minister of Labour is always on his job, and that he keeps very close tab on me to see that I do not bring in any more immigrants than I should—to the effect that there was some unemployment, but I have heard nothing very serious yet, and I am perfectly confident, Mr. Speaker, that there has been less unemployment this year than we have had for a number of years past.

Mr. A. W. NEILL (Comox-Alberni): Instead of putting it in the form of a question, might I advise the minister that the latest information I have is that there are over one thousand men in Vancouver to-day, or were recently, getting one dollar per day on relief work?

BARNARDO HOMES

Mr. H. C. HOCKEN (Toronto West Centre: I would ask the Minister of Immigration whether he has considered the wisdom of rescinding that regulation of his department which prevents the Barnardo Homes Association from bringing out children.

Hon. ROBERT FORKE (Minister of Immigration and Colonization): That is a matter of policy that I am not inclined to discuss in the House at the present time, but when the Immigration estimates come up or at some other convenient time I shall be prepared to go fully into any matters of that kind.

INDIAN TRIBES OF BRITISH COLUMBIA

On the Orders of the Day:

Hon. CHARLES STEWART (Minister of the Interior): The hon. member for Vancouver Centre (Mr. Stevens) interrogated the Prime Minister yesterday in respect to the agitation going on in British Columbia in connection with Indian title and I did not happen to be in the House on the occasion of the interrogation. This matter has been before the government, I think, during the whole life of the recent administration and for some considerable time prior to that.

Mr. STEVENS: Twelve years or more.

Mr. STEWART (Edmonton): Yes. During all that period we have endeavoured by negotiation and conference to see if a settlement could not be reached. We had not been so fortunate up to recently as to be able to say that a settlement was even in sight. But we have been making a special study of the whole question, because the provincial government, the federal government and the Indians are all interested in the matter. The adjustment of the reserves, which was a burning question, is with some few exceptions almost completely settled. The representatives of the Indian tribes are pressing for a judicial investigation of the whole question of Indian title and asking that the matter be carried to the Privy Council.

That request has not been granted, although it is receiving consideration. We have a committee of the government acting in co-operation with the Deputy Minister of Justice, working on the situation and endeavouring to reach a decision as to whether or not it would be wise to submit the matter for judicial investigation, with the privilege of carrying the whole question to the Privy Council.

Mr. STEVENS: Might I ask the minister if he has given consideration to my suggestion that a small select committee of parliament be appointed to consider the matter? The minister may not be prepared to answer now, but I again make the suggestion, and only in the interest of bringing about some solution of the problem.

Mr. STEWART (Edmonton): I have given that matter some consideration, but we have already spent a great deal of money in bringing witnesses from British Columbia, and I really do not believe that any new evidence can be submitted; there are volumes of evidence already. If a committee of parliament would be helpful, without going to the expense of bringing two or three hundred witnesses from British Columbia, I would be inclined to ask for that assistance, but there has been so much investigation already, so much evidence taken and so much money spent on this controversial question, that I am inclined to think we had better have a try at a solution of the problem by the present committee and see if we cannot get together. We have managed to settle some of the more difficult problems that were engaging our attention. I do not say that we shall settle this one, but we at least want to make a little further attempt to settle it.

Mr. STEVENS: I earnestly hope the minister will be able to settle it.

ALBERTA COAL—TRANSPORTATION

On the Orders of the Day:

Hon. CHARLES STEWART (Minister of the Interior): The hon. member for Bow River (Mr. Garland), I believe, is still awaiting an answer to a question he asked some days ago with respect to a governor general's warrant for $17,000 odd, which is to be found in the estimates, for the movement of coal from Alberta to Ontario. A governor general's warrant for this purpose was passed for the sum of $17,943.64 by the Conservative government just prior to their resignation in September. All of this amount was paid to the Canadian National Railways, and the Ontario government refunded to the Dominion government the value of the coal, which amounted to $13,647.56. The actual cost, therefore, to the Dominion government for the movement of the test shipment of 2,000 tons was $4,296.08.

SUPPLY BILL

On the motion of Hon. J. A. Robb (Minister of Finance) Bill No. 58, for granting to His Majesty certain sums of money for the public service for the financial year ending the 31st March, 1927, was read the second time, considered in committee, reported, read the third time and passed.

GRAND TRUNK PACIFIC RAILWAY COMPANY

SUBSTITUTION OF CANADIAN NATIONAL FOR GRAND TRUNK PACIFIC SECURITIES

Hon. CHARLES A. DUNNING (Minister of Railways and Canals) moved the second reading of Bill No. 57, respecting the Grand Trunk Pacific Railway Company and respecting the Canadian National Railways.

Mr. ROBERT GARDINER (Acadia): I desire to point out that this bill has just been distributed and we have had no opportunity of going into the provisions contained in the bill. When the matter was before the House yesterday afternoon very important questions were asked the minister upon which he did not care to express an opinion in a public way. Would it be agreeable to the minister to permit this legislation to go before the special railway committee in order that they might be able to go into the matter more fully and report to the House? There are many important matters of which we have no knowledge. A very large sum of money is involved in the bill and furthermore there is a principle which we should recognise and we should see to it that we know what we are doing before we go any further.

Mr. DUNNING: The government is desirous of permitting the fullest possible explanation of the bill and its terms. The method proposed by my hon. friend will, I am afraid, take a very great deal of time, and we should bear in mind that this arrangement has been before the public of this country and of the old country, in detail, for a period of months, and that the principle, indeed a large measure of the detailed arrangement, was embodied in the resolution discussed yesterday. Will it meet my hon. friend's wishes if we proceed to-day to take the second reading and consider the bill in committee, with the understanding that we leave the bill in committee until Monday, in the meantime permitting any inquiries to

be made of myself or of the officers of the department by any member who may be interested in further explanation which cannot be given here?

Motion agreed to, bill read the second time and the House went into committee thereon, Mr. Johnston in the chair.

On Section 2—Scheme of arrangement with holders of four per cent debenture stock with Grand Trunk Pacific Company confirmed.

Mr. CARMICHAEL: It would be impossible for hon. members to read the whole section while the chairman reads a short synopsis. None of us happens to be acquainted with the contents of the bill, and I fail to see how we can carry it intelligently until we know what the sections contains. If we are to proceed with the bill to-day and pass it clause by clause, should we not have the clauses read?

Mr. COOTE: It would be very helpful to the committee and might save time if the minister, who I am sure is very familiar with this bill, would have the clauses read, and if there is anything vital in the clauses he might make a very brief statement to the House.

The CHAIRMAN: Clause 2 reads:

2. Notwithstanding anything in any of the acts relating to the Grand Trunk Pacific Railway Company (hereinafter called "the Pacific Company") or to the Canadian National Railway Company (hereinafter called "the National Company") and except where inconsistent with this act the scheme of arrangement set out in schedule "A" to this Act, and hereinafter called "the scheme of arrangement", to be made with the holders of the four per cent debenture stock of the Pacific company (hereinafter called "Pacific stock") issued pursuant to chapter one hundred of the statutes of Canada for the year 1906 and chapter one hundred and twenty-three of the statutes of Canada for the year 1913, is hereby duly confirmed and declared to be valid and binding upon all persons and companies affected thereby, or interested or mentioned therein, in every respect as if the Scheme of Arrangement had been enacted hereby; and the said persons and companies are hereby authorized and required, subject to the provisions of this Act, to observe and carry out all the terms and provisions of such scheme of arrangement according to the true intent and meaning thereof.

Mr. DUNNING: I think the explanatory note opposite the section in the copy of the bill which is in the hands of every member of the committee is about all that is required by way of explanation. This makes effective the scheme of arrangement later set out.

[Mr. Dunning.]

Mr. COOTE: A question was raised yesterday with reference to line 19 where it says:

Declared to be valid and binding upon all persons and companies affected thereby or interested or mentioned therein.

Does not the question naturally arise here as to how this agreement is to be made binding on every individual holder of the debenture stock? Or will that point be covered later?

Mr. DUNNING: The particular point to which my hon. friend refers arises directly on the next section.

Mr. KENNEDY: Does not the passing of this section involve the passing of schedule A? I should like to hear an explanation of the meaning of that schedule before this section is finally passed.

Mr. DUNNING: Mr. Chairman, I thought I outlined that fully yesterday, but if it is the desire of the committee I will repeat what the scheme of arrangement is. The scheme deals with an issue of over £7,000,000 of Grand Trunk Pacific perpetual debentures, now outstanding. In addition to the £7,000,000, there are £3,000,000 of the same debentures which are at present held by the Finance minister of Canada, and which are separately and especially provided for in the legislation. The debentures now outstanding are perpetual; that is to say, they never mature. They bear interest at the rate of 4 per cent per annum. The Grand Trunk Pacific Railway Company is responsible in the first place for the payment of that four per cent; failing payment by the Grand Trunk Pacific Railway Company, the Grand Trunk Railway Company of Canada becomes responsible as guarantor of the Grand Trunk Pacific. But the Grand Trunk Railway Company of Canada can only pay this particular interest for which it is liable as guarantor in case it earns sufficient money in any year over and above its prior obligations. The scheme of arrangement proposes gradually to eliminate the perpetual feature by means of the issue of a new security, which will be exchanged for the security now in the hands of the holders. The new security will bear interest, not at four per cent but at the rate of two per cent. Another feature of the scheme of arrangement is that two per cent will annually be paid into a sinking fund, the proceeds to be used for the retirement of the principal year by year. Under the scheme of arrangement, instead of paying the four per cent indefinitely, whenever the Grand

Trunk earns it, we will pay two per cent, and by means of the sinking fund we should be able to retire the entire principal sum in thirty years. That, briefly, is the scheme of arrangement. It was recommended by an advisory committee representing the bondholders and the Canadian National Railways. It included a number of distinguished old country gentlemen headed by the Right Hon. Reginald McKenna, and was negotiated after a very careful examination by lawyers on both sides as to the relative liabilities, and by financiers on both sides as to the probabilities in the future in regard to the position of the stock. The arrangement was adopted subject only to approval by this House.

Mr. ADSHEAD: Am I right in my understanding that the bondholders are satisfied to take a certain two per cent rather than rely on an uncertain four per cent whenever the Grand Trunk may be able to pay it; and that the bonds will be retired in thirty years with the two per cent paid into the sinking fund?

Mr. DUNNING: Yes.

Mr. SIMPSON: Will the debentures be retired at par, or how is the price to be fixed?

Mr. DUNNING: That is an important question. The arrangement for the retirement of the debentures is that the proceeds of the sinking fund shall be applied each year in the purchase of debentures, the purchase to be made by tender. That is to say, any debenture holder will be at liberty to offer his debentures each year to the sinking fund trustees, to be paid for out of the sinking fund. But there is a further provision that at the end of ten years the debentures shall be retired from time to time at par.

Mr. GARLAND (Bow River): Mr. Chairman, in what rank will these new bond obligations stand in relation to the other obligations of the company?

Mr. DUNNING: So far as the company is concerned, the question of priority does not arise because the new obligation will be guaranteed by the government of Canada.

Mr. MILLAR: Has any serious objection been taken to this scheme on the part of the stockholders who have not accepted it? Is there any organized objection to it?

Mr. DUNNING: Not only is there no organized objection to the scheme, but I can recollect receiving only one individual protest. I may say that ninety-two per cent of the total holders of bonds have assented, and if we allow for those who more or less disappear in one way or another and cannot be reached, I think we can pretty well take it for granted that all those interested have accepted the scheme of arrangement.

Mr. GARLAND (Bow River): In answer to a question asked by an hon. gentleman to my right a moment ago, the minister intimated to the House that for ten years the government would retire the bonds on tender to the amount of the sinking fund accumulated irrespective of the value of the bonds. Any stockholder could send in an offer to sell his bonds?

Mr. DUNNING: Yes.

Mr. GARLAND (Bow River): What is to prevent a large number of the stockholders or all of them getting together and agreeing on a fixed amount per share, in other words, holding up the government?

Mr. DUNNING: There is no compulsion under the scheme of arrangement for the sinking fund trustees to buy the bonds offered, and the danger that my hon. friend refers to in any case is remote when we bear in mind that there are about seven thousand individual bondholders. I do not think there is likely to be any danger along that line. I do not know how we could guard ourselves against it even if there were such danger.

Mr. GARDINER: I notice in schedule A on page 6 of the bill that for the first ten years the bonds may be redeemed at a price of not less than £60 or more than £100 per £100 of stock. Is it necessary to insert the minimum in that case?

Mr. DUNNING: That was a matter of bargaining between the parties, and was one of the points on which the negotiations pretty nearly broke down. I may say that the bonds have been selling in the neighbourhood of £60 for some time past in spite of the uncertainty of the bondholders receiving interest.

Mr. McGIBBON: What was the price of the bonds when the Grand Trunk Pacific went into receivership?

Mr. DUNNING: I am sorry I have not that information.

Mr. McGIBBON: Could the minister tell the committee the total percentage of interest that has been paid upon those bonds since that date?

Mr. DUNNING: The last payment by the Grand Trunk Pacific was in 1919. The Grand Trunk Pacific went into receivership in 1919. There has been one payment since that time as the result of the old Grand Trunk earning sufficient to pay the interest; that was in 1924 on the 1923 operations.

Mr. McGIBBON: Then providing these bonds were held for the next ten years, and taking into consideration the interest lost, they would really be retired at a price of only £60?

Mr. DUNNING: About that; and we would be paying two per cent interest.

Section agreed to.

On section 3—Scheme to be operative upon passing of this Act.

Mr. WOODSWORTH: For the benefit of those of us who have had no legal training I hope the minister will explain how this arrangement can be forced upon individual bondholders. It looks to me like the confiscation of their existing bonds and the substitution of something else whether the individual bondholder may be agreeable or not. I understood the minister to say yesterday that this was not a matter of charity or of a compassionate allowance; he stated that these individuals had a legal claim. Well, if they have a legal claim, how can that claim be superseded in the way here proposed? If one individual bondholder undertakes to stand out, how can he be forced to come into the scheme? And if he can be forced into the scheme, then it is worth considering whether or not we are right in proceeding with the arrangement. If there is nothing legally binding on us in this regard it seems to me that the other question which was discussed yesterday must come up again. These people gave bonds for a concern that proved bankrupt and the Dominion came to the resuce and stood behind the railway. Now it appears that we are to honour all the claims that exist in regard to this unsuccessful railway. Why should we do so if we are under no legal obligation? These are questions that should be clearly explained before we adopt this legislation. We were told yesterday of one instance in which one party signed the contract while the other declined to do so. It seems to me that in this case the Dominion is signing. How shall we force the other people to sign if they do not want to do so?

Mr. DUNNING: My hon. friend's premise regarding the situation of the company in relation to the government is scarcely correct. I said yesterday, and I repeat it to-day, that these people hold in their hand an absolute security having behind it terms enforceable in the courts of the country against first, the Grand Trunk Pacific which, as my hon. friend says, is a bankrupt concern in receivership. I have the unpleasant privilege of being the receiver for the Grand Trunk Pacific. The Grand Trunk Railway, however, cannot be placed in the same class at all, and in the bonds held by these people there is a provision of guarantee by the Grand Trunk Railway Company of Canada. Now the Grand Trunk Railway has other legal obligations ranking prior to this one, and if in any year the Grand Trunk Railway earns more than sufficient to pay those prior obligations and has any money over, then these people have a legal claim against the former Grand Trunk Railway for their four per cent interest.

As to the other point dealing with minorities who do not assent, I remarked a little while ago that we had had the assent of ninety-two per cent of the bondholders. I am told that it is unique that there should be such a large proportion of assent in connection with an arrangement of this kind.

Mr. BROWN: Is that a binding assent?

Mr. DUNNING: Absolutely binding; it is a signed assent. Now there must always be some machinery for clearing up matters of this kind, otherwise business could not be conducted. That is recognized in our Exchequer Court Act and in the Railway Act, whereby provisions are made generally to deal with the liquidation of bonds of railway companies. The Railway Act provides that the Exchequer Court may give permission to bind what my hon. friend refers to as a minority in case seventy-five per cent of the whole consent. And in view of the fact that in this case we had already in hand a ninety-two per cent approval we thought it unnecessary to involve the legal machinery of the Exchequer court which, as I have said, is authorized under our existing laws to bind the others in the event of seventy-five per cent consenting. That is the best answer I can give my hon. friend. If there were not some means of cleaning up the tag ends no bond issue could ever be dealt with because there is always a proportion of bonds which simply cannot be located. Bonds vanish, they go out of existence, they are burnt up in fires or they go down with ships. As a matter of fact I am of opinion that with such a large percentage agreeing we may say that practically all the existing bondholders have given their consent.

Mr. WOODSWORTH: Under this procedure no legal action can be taken by the eight per cent against the government. Is that right?

Mr. DUNNING: That is correct.

Mr. CARMICHAEL: I am not perfectly clear in regard to the interpretation of the percentages. Section 3 provides:

> The scheme of arrangement having already been assented to in writing by the holders of three-fourths in value of the Pacific stock—

That is altogether different from saying, "three-fourths of the holders of the stock". The minister says that ninety-two per cent of approximately seven thousand bondholders have given assent. Does he mean the holders of ninety-two per cent of the stock or ninety-two per cent of the holders of the stock?

Mr. DUNNING: Ninety-two per cent "in value".

Mr. CARMICHAEL: That is a different thing from ninety-two per cent of the individual bondholders. I can well conceive that ten or twelve bondholders may hold seventy-five per cent of the stock and that a large majority of the bondholders may be coerced into doing what the minority wish them to do, simply because that minority hold a majority of the stock. Is that the situation?

Mr. DUNNING: My hon. friend is suggesting a purely hypothetical possibility; it is remotely possible. I am sure however that had there been any such coercion we should have heard about it, for the reason that this matter has been discussed in the press, particularly in investors' journals in the old land, for years past; and the scheme of arrangement itself was widely advertised months ago, each bondholder having been personally apprised of the fact that the scheme contains a provision that it shall become operative when assented to by three-fourths of the bondholders. That is what the bondholders were asked to consent to as part of the scheme of arrangement.

Mr. CARMICHAEL: Has the minister the information as to what percentage of actual bondholders have subscribed to the agreement?

Mr. DUNNING: I am afraid I have not that information.

Mr. HANSON: Was this original bond issue secured by a trust deed?

Mr. DUNNING: No.

Mr. HANSON: Or a statutory mortgage?

Mr. DUNNING: Statutory stock, yes.

Mr. HANSON: And does this arrangement depart from the conditions of the statute in any other respect?

Mr. DUNNING: No.

Mr. HANSON: Well then, I do not think the point raised by our laymen friends was very well taken. If ninety-two per cent in value of the bondholders have agreed, that is a very large proportion of any body of bondholders. Usually the proportion is very much less.

Mr. DUNNING: Very much.

Mr. BENNETT: Sometimes it is only sixty per cent.

Mr. HANSON: Yes, and less than that.

Mr. COOTE: I should like the minister to correct me if I am wrong in the supposition that by this legislation we are deliberately depriving the holders of this debenture stock, who may not have signed the agreement, of any rights which they may have, except what we now give them in this way?

Mr. DUNNING: That is correct.

Mr. COOTE: Would it not be much better to follow the usual procedure and ask the Exchequer court to make this ruling? Because I understand that one reason why we are putting this agreement through is to help the condition of Canadian credit in London. There is a feeling there that we have not treated these bondholders properly. Is it not possible that some of these bondholders would not approve of this scheme, and will have the right to say that the parliament of Canada has deliberately by legislation taken their debenture stock which calls for four per cent interest and give them two per cent? It does seem as though they might consider we are doing something very drastic to interfere with the security which they hold, and in that case they certainly could say much against Canada because this parliament is deliberately putting through this legislation.

Mr. DUNNING: The point my hon. friend raises was a point of difficulty with myself in considering the scheme, that is as between myself and officers of the company. The element of time is of very great importance in connection with this matter, because of the very near arrival of another interest date on these bonds, and the arrangement which is accepted, as I say, by ninety-two per cent of the bondholders, provides in clause 9 (b) that the scheme shall become operative when the same has been confirmed by the Exchequer court of Canada if such confirmation

shall be required by the company. That is to say the bondholders themselves agreed to waive confirmation by the Exchequer court, provided the company did not require it for some purpose of its own. Well, when the matter came to me I said: Unless the percentage of consenting bondholders is much higher than seventy-five per cent I do not think it wise to introduce into the Canadian parliament a measure which would have the effect of coercing a considerable number of minority bondholders, and I simply told the company that if they desired to avoid Exchequer court proceedings they would have to get a practically universal assent. I was anxious to avoid the very thing my hon. friend points out, that is, a feeling of soreness, a feeling that people had not been treated properly; and it was not until we were assured of ninety-two per cent of assents that the arrangement now proposed was inserted in the bill. As I said before we would surely have heard of objections to it had there been any, because no matter of a financial character that I can recall has had wider public discussion in the press than this has had. The details we are now discussing have been discussed in the homes of many small investors in the old country, because this issue is very largely held by small investors, as the number of the debenture holders indicates, and it is very well understood, I am quite sure, that we would have heard before this of any substantial ground for complaint, if such had existed.

Mr. COOTE: I do not wish to labour the point, but it does seem to me very doubtful if many of these small investors know that in this scheme it is proposed that the parliament of Canada should deliberately take away from these people any right they may have; that is to say, we are going to compel them to accept this arrangement whether they want it or not. If these people were united in any way in a company with a majority of ninety-two per cent of them enforcing their will on the rest, that would be a different matter. But it does seem to me that parliament is doing here something that is not right in principle, and something which it is just possible we may be sorry for some day.

Will the minister be kind enough to give us a little information as to just how the Grand Trunk was taken over by the government? As far as I remember that has not been mentioned in the debate.

Mr. DUNNING: The old Grand Trunk?

Mr. COOTE: Yes, as to whether it went into a receivership or what the procedure was.

[Mr. Dunning.]

Mr. DUNNING: My hon. friend is imposing upon me a rather difficult job.

Mr. COOTE: The minister need only give it very briefly. I want a point cleared up for my own satisfaction.

Mr. DUNNING: It occurred, of course, long before I had anything to do with the matter. If I should err in giving an historical review I am subject to correction by gentlemen who were members of the House at the time. The former Grand Trunk was taken over by the government of Canada as the result of arbitration proceedings. Those proceedings decided the amount, if any, that should be paid for the junior stocks, and the road—the former Grand Trunk—is now the absolute property of the government of Canada.

Mr. BENNETT: Of the Canadian National Railways.

Mr. DUNNING: Of the Canadian National Railways, which in turn are owned by the government of Canada, subject to public charges. What I mean by public charges are such bonds issued as are outstanding and which embody obligations to the public secured by the property.

Mr. BENNETT: And the rental charges.

Mr. DUNNING: And the rental charges. What was arbitrated was the value of the preferred and common stock in the old Grand Trunk, the stock being acquired by the Canadian government.

Mr. BOYS: I should like to know if this clause is in harmony with the provisions of the trust mortgage which secured the bonds in question.

Mr. DUNNING: There was no trust mortgage.

Mr. BOYS: I think there was.

Mr. DUNNING: No.

Mr. BOYS: If there was not, then it seems to me this provision is more far-reaching. I refer to the words which appear at the top of page 2 of the bill:

> All the terms and provisions of the scheme of arrangement shall be binding on all holders of Pacific stock, whether assenting to or not assenting to the scheme of arrangement—

If there was some document which gave certain rights which could be exercised notwithstanding the wishes of the minority, that would be all right; but if there is no such

right it seems to me there is very grave doubt about it, and it may be an interference with property and civil rights as well. I thought the minister made some reference to a statutory mortgage.

Mr. BENNETT: No, statutory stock.

Mr. BOYS: Then I misunderstood the minister. Is it the fact that this arrangement will absolutely deprive these people of rights which they undoubtedly have? I am not seeking to object to the legislation, but the thought comes to me which was first raised by the hon. member for Winnipeg North Centre (Mr. Woodsworth). The thought was in my own mind at the time but I imagined it was overcome by virtue of some arrangement with the Pacific bondholders themselves when they purchased the bonds.

Mr. DUNNING: There is.

Mr. BOYS: If there is such an arrangement that would satisfy me absolutely on the point.

Mr. DUNNING: Look at clause 9, subsection (a) of the scheme of arrangement on page 7 of the bill.

Mr. BOYS: Then, as I understand it, that scheme of arrangement is one that was made without the assent of the eight per cent. My point is this: Where do you get the right to interfere at all with the acquired rights of the eight per cent? We know quite well that there are clauses in mortgages securing bonds which give rights where there are certain majorities, but it seems to me that feature is absent here. If it is, what I should like to be enlightened upon is whether it is proper to deprive these eight per cent, or whatever the percentage is, of their rights, and is it not an interference with property and civil rights?

Mr. DUNNING: The Railway Act and the Exchequer court together provide that in connection with matters of this kind, whenever seventy-five per cent of the bondholders have assented, the Exchequer court may determine to bind the other twenty-five per cent. What parliament is asked to decide on this occasion is whether ninety-two per cent of assents received is sufficient to justify this parliament in saying there is no necessity to go through the extra machinery and to incur the extra expense and delay, which is even more serious, of an Exchequer court action. If I could see that an injury was being done to anyone, I would not suggest such a course; but in view of the very large proportion of assents and the fact also that we are not taking much away from these people, because after all they are getting a guaranteed security—

Mr. BOYS: I am not criticising the terms at all; I am referring to the authority.

Mr. DUNNING: It is a gilt-edged security. The other is perpetual and a perpetual source of uncertainty in regard to the receipt of interest. There is no doubt they will receive two per cent interest; the bonds will achieve a definite market value, and a larger proportion of assents has been received, than has ever been known in financial history.

Mr. COOTE: The question of injury is after all a question to be decided by each person; it is their personal opinion and that is the great danger that confronts us in this case. By right of might, because of course that is the only way in which we can handle the matter in this parliament, this parliament can say that those people's right is taken away and they are given something else in its place. That is wrong in principle and personally I would like to register my objection to it.

I would like to ask the minister another question in regard to the prior claims which the Grand Trunk must pay before they will have to pay these debenture stocks, that is, whether the interest on the money advanced by the government to the Grand Trunk once it was taken over, would be a prior claim.

Mr. DUNNING: I can perhaps best answer that question by reading the exact wording of the conditional guarantee given by the Grand Trunk Railway Company to the bonds of the Grand Trunk Pacific Company. It reads:

> Provided always that the liability of the Grand Trunk in the premises shall from time to time be conditional and wholly depend upon the amount of its gross earnings during any half year ending on some 30th day of June or 31st day of December showing a surplus after the following deductions therefrom (that is to say):
>
> 1. All working expenses as defined by the Canadian acts of parliament relating to the Grand Trunk railway.
>
> 2. All interest and other moneys payable by the Grand Trunk in respect of
>
> (a) The Grand Trunk loan capital as defined by the said acts.
>
> (b) Any bonds or liabilities of any other company pursuant to any guarantee or undertaking heretofore given by the Grand Trunk.

That is given prior to this one.

> And such surplus as aforesaid being shown the liability of the Grand Trunk in the premises shall be limited to the amount of such surplus and shall wholly determine when a payment or payments to such amount shall have been made to any holder or holders of stock under the covenant in that behalf hereinbefore contained.

It ranks next after the charges created prior to the giving of it.

Mr. SMOKE: Am I right in understanding that the bonds outstanding are perpetual debentures and the principal never matures?

Mr. DUNNING: That is right.

Mr. SMOKE: Then I am wholly in sympathy with this bill. If eight per cent of the bondholders say: "We do not agree to this proposition", let them hang on to their bonds and the government continue to pay them the four per cent or whatever interest is payable. The government will never have to pay the principal. Is that not the worst position the Dominion of Canada can be placed in?

Mr. DUNNING: That is why we have that section.

Mr. ADSHEAD: What was the market value of the old bonds and what is the market value of the present stock they are getting?

Mr. DUNNING: The new bonds have not yet been issued, but the old ones sold last year at amounts varying from just over sixty to pretty close to seventy at times.

Mr. CANTLEY: I should like to congratulate all who have been concerned in completing this arrangement because it is eminently in the interests of this country that it should be done. I say so for two or three reasons. In the first place we are getting quit, within a reasonable time, of these bonds and at the expense of one-half of the interest due those bondholders. In the second place there has been a good deal of dissatisfaction in the old country, whether warranted or not I am not prepared to say, although I have my opinion in regard to the matter. It is eminently in the interests of this country that that source of dissatisfaction be removed and it is being removed by this bill.

We have been very large borrowers in London in years past. In recent years since the war we have been borrowing largely from the United States; but the time may and very likely will arrive and perhaps before long when we shall again have to have recourse to the British financial market. In view of those and other considerations I think it is highly desirable that this question be settled on a fair basis, and the proposal before the House does settle it on an eminently fair basis so far as this country is concerned.

The other point brought up is in regard to the outstanding or possible outstanding eight per cent in value of the bonds concerned. If I am in a company and if ninety-two per cent of my friends have made up their minds that an arrangement proposed to be carried out by the company is fair, right and desirable, I do not think I shall receive very much sympathy, either within the company or on the street, for shouting in regard to my rights having been disregarded. I do not think, as regards arrangements of this kind carried on over a period of years in this country generally, you will find any other such arrangement has been so successfully carried out that ninety-two per cent have acquiesced voluntarily without any coercion of any kind whatsoever. In view of these considerations I am strongly in favour of the passage of this bill.

Mr. MILLAR: If this bill goes through, as it will, and the eight per cent should wish to take action against the government for the payment of what would naturally fall due to them, what stands in their way? I know in some cases permission must be had from the government before action can be taken against it. Is that the situation in this case?

Mr. DUNNING: By law we say here: If this bill passes, they shall be deemed to have transferred to the company. That is, we are here doing what the Exchequer court would do under our ordinary laws if the matter were placed before it. We are doing it here only because there is such a large proportion of consent in the first place, and because by doing so we can avoid the expense and, what is more important, the delay involved in allowing time for proceedings to be taken before the Exchequer court by any possible dissenter.

I might say something which I have not said before in connection with this bill, namely, that I regard it as the first step towards straightening out the very serious complications of the Canadian national financial structure. I do not know if I shall live to see it completely straightened out, or if I shall be able to handle the job, but there is no question about it that one of the most serious expenses of the Canadian National system, one of the barriers to its success, is its present complicated financial structure, and here we are taking the first essential step in the direction of simplifying that structure. It will enable, as I said before, the Grand Trunk Pacific receivership to be terminated, with all the separate bookkeeping and legal procedure which that has involved. It will enable the Grand Trunk Pacific and its subsidiaries to be merged with the Canadian National system, and until this is done, until this bill is passed and this matter is settled, that amalgamation is impossible. I hope to come later with other proposals to reduce the extent of the confusion that now exists in the Canadian National financing. But it will be a much slower process than some of our editorial friends would have us believe. It is a most complex problem. When I come forward with this one proposal, immediately it bristles with difficul-

ties, and members of the committee have no trouble at all in pointing out possible difficulties, possible injustices, possible complications. Each one of the financial motions necessary to deal with the situation—and eighty-nine separate corporations now comprise the Canadian National system—will involve, I am afraid discussions of this kind whenever it is necessary to bring them to parliament. This is merely the first step.

Mr. HANSON: The minister is not referring to the question of reduction of capitalization, is he?

Mr. ROBB: Do not try to draw him out too far.

Mr. HANSON: Then why refer to it at all?

Mr. KENNEDY: I understood the minister to say in reply to a question that the worst that could happen with respect to the eight per cent, if they were dissatisfied, would be that they would hold on to their stock.

Mr. DUNNING: No, that would not do them any good.

Mr. KENNEDY: They must turn in their stock and accept the new stock issued?

Mr. DUNNING: If they do not submit the old stock in exchange for the new, they will be deemed to have done so, and the records of the company in relation to them will be kept as if they had done so, and they will be entitled to all the benefits of the new stock.

Mr. COOTE: The only advantage then, I take it, in not referring this matter to the Exchequer court and getting an order from them is that it can be done here much more quickly.

Mr. DUNNING: And save expense. My hon. friend understands that the Exchequer court would have to give a period of time in their own discretion within which to permit any of these eight per cent to come forward. How long that period would be I do not know, but I do know it would surely conflict with the dates that are set out in the scheme of arrangement, and by reason of that would upset the whole financial arrangement.

Mr. KENNEDY: I wonder if the minister would answer this question. Now that we are facing the possibility of paying interest on this stock, does he not think we are due for a reduction of freight rates in Canada?

Section agreed to.

On section 4—Delivery of certificates of Pacific stock, in exchange for new stock.

Mr. STEVENS: In the last line but one it says "sinking fund and call". What is the necessity for the word "call"?

Mr. DUNNING: There is provision for call after ten years. We will come to that section later.

Section agreed to.

Section 5 agreed to.

On section 6—Order in council to terminate statutory charge securing Pacific stock.

Mr. COOTE: Would the minister explain what this clause is for?

Mr. DUNNING: We provided in section 5 for cremating the securities. Here we are providing for eliminating the charge which the cremated securities carried before they were cremated.

Section agreed to.

Section 7 agreed to.

On section 8—Certificates for £3,000,000 of Pacific stock held as security to be surrendered and cremated.

Mr. CARMICHAEL: The language of this section is similar to the language of section 5. It says in section 5 that the certificates "may be" cancelled and cremated, and in section 8 that the certificates "may be" surrendered. Should it not be "shall be"? The sections leave it optional; should it not be compulsory?

Mr. DUNNING: The intention is, unless some vital or unforeseen reason arises between now and the time when the securities are collected, that they shall be cremated, but unless permission were given it would not be possible for us, in the event of such an unforeseen reason arising, to keep the securities for a time.

Mr. KENNEDY: What is the meaning of the words in lines 31, 32 and 33:

But such cancellation and cremation shall not affect the obligations of the Pacific company to the National company nor of the National company (as successor by amalgamation with the Grand Trunk Railway Company) to His Majesty in respect of the said advances.

Mr. DUNNING: The explanation on the other page of the bill deals with it completely.

Mr. KENNEDY: We have been referred to the explanation and we would like to look at it.

Mr. COOTE: We would like to expedite business, but we should be given a chance to read the explanation.

Mr. KENNEDY: If I understand the matter correctly, this means that the charge for interest would be against the Grand Trunk Pacific, notwithstanding the arrangement that is being made with the bondholders on behalf of the Grand Trunk. I think I am safe in saying that the troubles of the Grand Trunk Pacific are due very largely to the management of the Grand Trunk in the location of that railway. It is a fine illustration of bad business management in that regard when we know that the survey was originally made to the Peace river country, where they neglected about seven hundred miles of good farming territory to build seven hundred miles through bush, a territory which cannot be revenue-producing. We have here another illustration of the absolute unfairness in our dealings with large companies. Western Canada will again be charged up with the mismanagement of the big company in the east, and it will show in our railway deficits to the debit of the Grand Trunk Pacific for all time to come.

Mr. COOTE: What is the use of carrying this item on the books? Would it not be just as well to wipe it out?

Mr. DUNNING: My hon. friend wants to see the Canadian National financing gradually and properly cleared up, but it is necessary in doing it to proceed one step at a time. It is necessary to maintain as of record the indebtedness between the parties until we proceed a step or two further in the financial reorganization. It will be a book entry merely for the time being, and it will maintain the relative standing of the indebtedness between the parties as it now exists. We should not, until we are prepared to look at the whole structure and deal with it, proceed to wipe out individual assets and liabilities and simply forget them.

Mr. COOTE: I asked the question in the hope of getting some reason why this liability should be carried on. If the item were wiped out altogether that would simplify the bookkeeping. I take it from the minister's statement that there is some reason for carrying this item on the books, though he is not very definite in his statement in regard to it.

Mr. KENNEDY: What progress has been made with regard to the straightening of the capitalization of the various Canadian National railways? I understand they have been at it for about two years. I was wondering how soon we would get to a point where the capitalization would be written down or where it might be brought down.

Section agreed to.

Sections 7 to 11 inclusive agreed to.

The CHAIRMAN: Shall the title carry?

Mr. GARDINER: I would suggest that before we carry the title the committee rise, report progress and ask leave to sit again, in order that we may have an opportunity further to consider the bill.

Progress reported.

LOAN COMPANIES ACT, 1914, AMENDMENT

Hon. J. A. ROBB (Minister of Finance) moved the second reading of Bill No. 49 to amend the Loan Companies Act, 1914.

Mr. HANSON: Has this bill been distributed?

Mr. ROBB: Yes.

Motion agreed to, bill read the second time and referred to the select standing committee on banking and commerce.

INSURANCE ACT, 1917, AMENDMENT

Hon. J. A. ROBB (Minister of Finance) moved the second reading of Bill No. 50, to amend the Insurance Act, 1917.

Motion agreed to, bill read the second time and referred to the select standing committee on banking and commerce.

WINDING-UP ACT AMENDMENT

Hon. J. A. ROBB (Minister of Finance) moved the second reading of Bill No. 51, to amend the Winding-up Act.

Mr. G. G. COOTE (Macleod): Mr. Speaker, I am sure we all want to expedite the business of the House, but speaking for myself I have not yet had time to look at any of these bills. I am not going to object to the second reading, but I think it should be stated that in giving second reading to these bills the House is not necessarily committed to their principle; we take it for granted that we will have an opportunity to discuss the principle of these bills if we deem it necessary to do so.

Mr. ROBB: Mr. Speaker, I quite appreciate the position taken by my hon. friend. We are passing the bills along so as to advance them a stage. We are referring them

to the select standing committee on banking and commerce, where there will be every opportunity for the members of the committee to debate them fully and to get all the information they may require.

Mr. COOTE: I have heard it stated many times in this chamber that when we agree to the second reading of a bill we are committing ourselves to its principle. That is the reason why I rose to make a statement. I think it certainly should not be taken for granted that the House is committed to the principle of these bills until members have had ample time to consider them.

Motion agreed to, bill read the second time and referred to the select standing committee on banking and commerce.

TRUST COMPANIES ACT, 1914, AMENDMENT

Hon. J. A. ROBB (Minister of Finance) moved the second reading of Bill No. 52, to amend the Trust Companies Act, 1914.

Mr. COOTE: Mr. Speaker, may I ask if this bill is printed?

Mr. ROBB: Yes.

Mr. COOTE: It does not appear to be on our files. These bills are being dealt with so rapidly that I have not time to look for them in my file.

Motion agreed to, bill read the second time and referred to the select standing committee on banking and commerce.

SPECIAL WAR REVENUE ACT, 1915, AMENDMENT

Hon. J. A. ROBB (Minister of Finance) moved that the House go into committee to consider the following proposed resolution:

Resolved, that it is expedient to bring in the measure to amend The Special War Revenue Act, 1915, as passed by both houses of parliament at the last session but not assented to, providing

(a) for the removal of the one cent additional postage on letters for transmission by post for any distance within Canada; excepting "drop" letters and post cards;

(b) for the remission of the stamp tax on receipts;

(c) for a straight tax on playing cards, on every fifty-four cards or fraction thereof in each package—ten cents per pack;

(d) for a provision to remove doubts as to whether goods are liable to sales tax when sold under process of law, or under a lien, etc.;

(e) for the exemption of certain specified articles from consumption or sales tax;

(f) for adding certain specified articles to the list subject to 50 per cent of the sales tax;

(g) for removing the tax on carbonic acid gas;

(h) for a refund of tax paid on ships' stores;

(i) for the removal of excise taxes on automobiles valued at not more than $1,200, when the conditions prescribed in the said legislation are fulfilled as to importation for any British country under the British preferential tariff, or from countries enjoying most favoured nation treatment, or as to automobiles produced or manufactured in Canada, and authorizing a refund of excise tax on such automobiles new, unused and unsold in the possession of the dealer or agent on 8th June, 1926; and

(j) for the repeal of certain orders in council relating to the operation of these provisions

He said: Mr. Speaker, before you leave the chair I may say that this resolution covers legislation arising from the budget of 1926. The measure to be submitted is identically the same as that which passed both houses of parliament, but which failed to receive royal assent. The principal parts of the legislation were made effective by order in council dated July 14, 1926. There is no change whatever in the general principle of the legislation.

Mr. BENNETT: Nor in the details?

Mr. ROBB: They are the same except as to dates.

Mr. BENNETT: There was one clause that could not be made effective by order in council.

Mr. ROBB: Yes.

Motion agreed to and the House went into committee, Mr. Johnston in the chair.

Mr. CARMICHAEL: I do not remember what reason was given when this resolution was before the House last session with regard to section (a) dealing with the removal of the one cent additional postage on letters transmitted within Canada, excepting "drop letters and postcards." If I understand rightly, the additional cent on drop letters and postcards was put on as a war revenue tax, the same as the additional cent on other letters. I fail to understand why the war tax should have been removed from letters generally and not from drop letters and postcards. Has the minister any satisfactory explanation?

Mr. ROBB: It is purely a matter of policy. We were returning to the penny postage and it was contended that it cost as much to distribute drop letters in the city as to send them to outside points in Canada. It is said that it costs as much to deliver letters in Ottawa, say, posted in the city, as to send them to Winnipeg. The same practice obtains in the United States.

Mr. COOTE: Has the minister assured himself that the manufacturers of automobiles valued at $1,200 and under who have been relieved of the excise tax have passed the advantage on to the public, as promised last year?

Mr. ROBB: I have heard no complaints.

Mr. COOTE: Has the reduced tariff on sugar from the West Indies gone into effect? It is not mentioned here and I do not know whether it should be or not.

Mr. ROBB: It has nothing to do with this. I shall be glad to discuss the matter with my hon. friend later on.

Mr. COOTE: I just wondered whether it should be mentioned here or not.

Mr. ROBB: No.

Mr. COOTE: I suppose the minister will take it for granted, until he hears something to the contrary, that the automobile manufacturers are passing that advantage on to the public.

Mr. ROBB: If anyone has any complaints to make I shall be glad to listen to them.

Mr. ADSHEAD: Will this matter be brought up again in the form of a bill?

Mr. ROBB: Yes.

Mr. ADSHEAD: I trust that we shall have that bill before us at least an hour in advance. Personally I have not had an opportunity of studying the matter.

Mr. ROBB: As a new member of parliament my hon. friend is entitled to have that information, but had he been with those of us who spent two or three hard weeks in debate upon this resolution I think he would be pretty well posted on it. However, the request is not unreasonable and if anyone wishes to delay the measure I shall not press it.

Mr. ADSHEAD: We cannot vote on it without information.

Resolution reported, read the second time and concurred in. Mr. Robb thereupon moved for leave to introduce Bill No. 59, to amend The Special War Revenue Act, 1915.

Motion agreed to and bill read the first time.

Mr. ROBB moved the second reading of the bill.

Mr. GARDINER: I must protest against this method of doing business. Most of the members who were here last session will agree to put the resolution through, but there are many new members and I think it is only fair that they should have an opportunity of studying the bill before being asked to consider it in committee. So far as we over here are concerned, we desire to expedite the business of the House to the best of our ability, but at the same time we do not wish to lose any of our privileges. I suggest to the government therefore that before going further we should have the bill distributed in order that new members may know what they are doing.

Mr. ROBB: If hon. gentlemen will allow us to go into committee on the bill I shall move that we rise and report progress.

Motion agreed to, bill read the second time, and the House went into committee thereon, Mr. Johnston in the chair.

Progress reported.

MONTREAL HARBOUR COMMISSION

LOAN OF $12,000,000 FOR TERMINAL FACILITIES

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries) moved that the House go into committee to consider the following proposed resolution:

Resolved, that it is expedient to bring in the measure to authorize a loan to the harbour commissioners of Montreal in an amount not exceeding $12,000,000 to carry on the construction of terminal facilities, upon approval of the Governor in Council of detailed plans, spécifications and estimates for such works and the deposit of debentures of the corporation to cover said loan, which legislation was passed by both houses at the last session, but which failed to receive the royal assent owing to the dissolution of the House.

Motion agreed to and the House went into committee, Mr. Johnston in the chair.

Mr. COOTE: Last year when these resolutions, and I think the bill accompanying them, were before the House, it was brought to the attention of the minister that the operations of the different harbour commissions in Canada should be subject to audit by the Auditor General. I do not just remember what provision, if any, was in the bill which came down on that occasion, but I urge the minister to carry the suggestion out. I think the operations of some of the harbour commissions in Canada prove the necessity of placing some check upon them, and I would be very glad if the minister would give us his opinion now as to whether he is willing to have the financial operations of these commissions placed under audit by the Auditor General of Canada.

Mr. CARDIN: These commissions are already subject to the Audit Act, and auditors

from the office of the auditor general can be sent to inspect their accounts—in fact auditors were sent from Montreal and Vancouver during the course of last year and the results of their investigations embodied in reports.

Mr. COOTE: Who orders the officials to conduct an audit, and where is it made?

Mr. CARDIN: The Minister of Finance has authority under the Audit Act to send auditors to audit the accounts of harbour commissions.

Mr. COOTE: Is this audit permissive, or is it compulsory? Is it done annually?

Mr. CARDIN: The Minister of Finance has the power under the Audit Act to send auditors to make an audit at any time he chooses.

Mr. COOTE: He may or may not send them?

Mr. CARDIN: That is the case, he may or may not send them.

Mr. MacLAREN (St. John): What has been the practice in the matter of conducting audits?

Mr. CARDIN: The practice has been to have audits made, and audits were made in both Montreal and Vancouver last year.

Mr. MacLAREN (St. John): Are the audits made yearly?

Mr. CARDIN: They started in 1924.

Mr. COOTE: I suggest to the minister that the practice should be made compulsory, and that a system of yearly audit should be instituted. If these commissions know that their operations are going to be audited by the Auditor General—or by the audit board if that is better. although I cannot see why it should be—I think their operations would be carried on in a much more satisfactory manner.

Mr. CARDIN: I cannot see any objection to the suggestion of my hon. friend.

Mr. CARMICHAEL: Will the minister give us some information in regard to the amount of loans made to the harbour commission in Montreal and the total interest payable by that body; also whether any of these loans have been repaid or not. I can recall during the past few years different loans that have been made to harbour commissioners, and I was wondering whether any repayment is ever made.

Mr. CARDIN: Speaking offhand I may say that the loans made to the Montreal harbour commission up to the present time total about $40,000,000. So far the interest on these loans has been paid by the harbour commission. Also speaking offhand I think I can say that none of the bonds which have been issued by the harbour commissions for these loans have matured.

Mr. CARMICHAEL: Is it certain that the harbour commission will be able to take care of all the loans made to it? Also, before the minister answers that question, I would ask him if he has considered the possible effect of the deepening of the St. Lawrence, which is a live question at the present time, and which may take away from Montreal some of the revenue which it has been receiving in the past, particularly in the grain handling business?

Mr. CARDIN: I am free to say that I have no fear even the deepening of the St. Lawrence will prevent the port of Montreal from growing and developing in the future as it has done in the past. Even if the St. Lawrence is deepened, the port of Montreal will continue to expand just the same, because the business of the country will, as a result of the development, grow more rapidly than heretofore. Furthermore, the information we have from the commissioners is that the revenue is quite considerable and will be quite ample to take care of the interest upon these loans in the future as it has done in the past.

Mr. CARMICHAEL: Has any provision been made for taking care of the original loan?

Mr. CARDIN: There is a sinking fund in connection with all these loans.

Mr. GARDINER: Has that sinking fund been kept up to the proper standard?

Mr. CARDIN: Yes.

Mr. ADSHEAD: What is the rate of interest?

Mr. CARDIN: One per cent.

Mr. GARDINER: Is any portion of this twelve millions to be used in connection with the new bridge?

Mr. CARDIN: No, not a cent.

Mr. KENNEDY: What is the $12,000,000 intended for?

Mr. CARDIN: The amount is to cover: dredging, $800,000; wharves, piers and basins, $5,400,000; plant and equipment, $155,000; shops and buildings, $322,000; rails and

electrification, $1,342,000; permanent sheds, $300,000; grain elevators, $3,155,000. There is a sum of $142,000 made up of small amounts for small works in the harbour. It is admitted by almost everyone conversant with the shipping business that the port of Montreal lacks certain necessary facilities to meet modern requirements. The shipping interest has been representing to the department the absolute necessity of doing something in this direction, more particularly in regard to increasing the storage capacity of the elevators there.

Mr. GARDINER: Will these different items total $12,000,000?

Mr. CARDIN: Yes.

Mr. COOTE: I have had the pleasure of visiting the harbour in Montreal on several occasions and from very superficial observation I think as a rule they have made very fair use of the money parliament has voted, and so far as we hear in a general way Montreal harbour is well conducted. But what I should like to make sure of in conection with this bill is that an audit shall be instituted—as I said before, a yearly audit, because we are putting so much money into these harbour commissions that their expenditures should be audited just as well as the other government expenditures which we vote here.

Mr. CARDIN: I agree with the suggestion of my hon. friend.

Mr. BENNETT: The question as to an audit was raised by myself at the last session in connection with the Montreal harbour commission, and the minister after investigation pointed out that the Audit Act was available to the Minister of Finance to enable an audit to be made. The point that we endeavoured to make on that occasion was that this parliament should have some control, through the Auditor General's report, to investigate those accounts. For instance, it was clearly established that at least in one of the ports, that no man could find employment on the harbour board unless he had a card from a particular source signed by a particular individual. For example, in one of the interior elevators in this country a man may not find employment unless he has a card signed by a particular person. All that is bringing about a condition that makes men apprehensive as to where we are going in this respect. I shall have something to say in regard to the matter during the discussion as to bringing the port of Halifax under the act.

First of all the audit that is mentioned by the hon. member for Macleod (Mr. Coote) is an audit beyond the Audit Act. It is an audit such as the Auditor General himself imposes upon the accounts of this country, so that in the Auditor General's report we may have an opportunity to understand what has been done with the money, and the public accounts committee of this parliament, if it so desires, may have an opportunity of investigating those accounts. That was the point that was made at last session with respect to the matter. The minister took it under advisement, the sense of the House being that there should be an audit, and as I say, he returned with the view and made the statement that the matter could be dealt with through the audit board. The audit board is nothing more nor less than machinery that may be used by the Minister of Finance if he so desires. If he does not desire to use it, he will not, and if it is not at the moment particularly desirable to use it, it will not be used. If as the minister now says he is content to add to the bill a provision that the accounts shall be audited annually under the provisions of the Audit Act, that is some protection and, in my judgment, one that will go a long way towards meeting the objections that were urged to this measure last year. Perhaps the minister will recall the evening when the discussion took place and we drafted an amendment to the act. Subsequently, having regard to the provisions of the Audit Act and the explanation given by the minister and the Minister of Finance, the sense of the House was that that amendment should not be adopted. That is the fair way to put the matter, because no vote was taken upon it.

It seems to me that the old machinery under which these harbour commissions were established provided a safeguard that is now gone. There was a provision that harbour commissioners should be elected by the community in which they lived and the harbour board consisted of a larger number than it now does. For instance, in the harbour of Quebec we have a very large investment which is returning no money at all, yet we have increased that amount notwithstanding the fact that, with two or three exceptions, no interest has been paid in recent years. If there was some way in which the liability of the community could be linked with that of the nation and the community could exercise some say as to the appointment or election of commissioners, the system would be vastly improved.

As we are about to embark, according to the order paper, upon the passage of legislation that will bring at least one other part under the provisions of the statute in addition to the port of Vancouver, in which the west is so

vitally interested, it is highly desirable that we should thresh the matter out, because on the strength of this legislation the port of Montreal has made certain financial arrangements and gone ahead with part of the work in view of the fact that the legislation was passed by both houses at the last session and, not having received the royal assent, did not become effective. Under those circumstances I had not proposed to make any observations, believing that, as the harbour commissioners of Montreal, relying upon this bill as it had passed both houses at the last session, had made certain expenditures last fall out of moneys they received from other sources, it was highly desirable that the legislation should be enacted. But I should like the minister to consider the question whether in all these ports the local community should not have a voice in the election of commissioners so as to prevent the political character of the commissioners entirely dominating the situation, ensuring as such a condition does, employment to limited numbers of persons, and the development of a sort of Tammany Hall with respect to all the work of the harbour commissioners. That perhaps does not apply to the harbour of Montreal to the same extent that it does to some others, because, as everybody knows, the Montreal harbour board is a singularly effective body. When the bill is under discussion I will give some instances of what is happening at Vancouver, Victoria and the terminal elevator at Edmonton. The way to deal with the matter is to provide that one commissioner shall be elected by the people in order that they may have a direct and vital interest in the operation of the facilities of the community in which they reside.

Mr. ROBB: I will leave it to my colleague to discuss the method of electing or appointing the harbour commissioners, but I fear from the observations of the former Minister of Finance (Mr. Bennett) that there may be some misunderstanding in regard to the audit of the harbour commissions. It was that audit board which my hon. friend had in mind that made the audit.

Mr. BENNETT: That is what I said.

Mr. ROBB: As regards the Auditor General going in and auditing the books of the Montreal harbour commission, there is no more sense in putting a staff in there than there would be in putting such a staff into all the railways of Canada. The Montreal harbour commission has been taking care of itself, providing its own interest and meeting its obligations all the time. But when the audit board was created a few years ago by the Right Hon. Mr. Fielding, he took the stand, and properly so, that the Minister of Finance should have the right to send that board to audit any organization of any kind to which the government were making a contribution. That was done purposely. We make contributions in various ways to many harbours throughout the country. The port of Quebec is not the only port in Canada that does not meet its interest obligations. As a matter of fact the harbour board of Montreal is about the only harbour board in Canada that meets its obligations regularly.

Mr. STEVENS: Vancouver always does.

Mr. ROBB: The Vancouver harbour board have been doing so, but they have been a little slow lately.

Mr. CLARK: Is that recently, or was it not at the time the Dominion government had in their possession money belonging to the harbour board, and by mutual arrangement the interest payment was not made because that money was not advanced? Have there been any recent instances of default?

Mr. ROBB: I have not the details; I do not carry them around with me. But I know we had to bring some pressure to bear on the Vancouver harbour board to have them meet their interest accounts.

Mr. CLARK: Is that since this government came into office—I mean since September, 1926?

Mr. ROBB: I will not go into details as to dates because I do not carry those around with me. We have made large contributions to the harbours of St. John, Halifax and Toronto; we have spent large sums of money at the head of the lakes at Fort William, and it was for that purpose that the audit board was put in. To insert in the act a provision that the Auditor General should audit all the harbour commissions would be only running up a large staff and unnecessarily adding expense to the country. I think the hon. gentleman should be satisfied to have the condition such that when the Minister of Finance, whoever he may be, determines that the audit board should go in and make an audit of those books, he shall have the power to do so. In that way the rights of the country and of the treasury will be properly safeguarded. We have had audits made of the Montreal harbour commission, and they have been tabled and are available to any member of the House.

Mr. STEVENS: This question of an adequate audit has been discussed on several occasions. I appreciate what the minister says, that it is unwise to build up a staff that will simply be a duplication of some other staff, but perhaps this difficulty could be overcome if the Auditor General were appointed the auditor for the board, not necessarily having other auditors duplicating the work. The House ought to bear in mind—and this applies generally—that it is the people who advance these large sums. Montreal is admitted by all to be a well administered port; still, $40,000,000 odd is spent there. In my own city of Vancouver I presume, speaking offhand, about $15,000,000 is spent. Now that is money advanced by the people of Canada. These two harbour commissions pay the interest on these advances and provide for sinking fund. That is very good; it is highly commendable. On the other hand is it not reasonable that those who advance the money should have an opportunity in some manner of determining whether or not it is properly expended? When harbour commissioners appoint their own auditors, it is just the same as the management of a company appointing the auditors and the shareholders having nothing to do with their appointment. I pointed out last year—it is a principle not always followed, but it is a sound and a vital principle—that in the administration of all corporate bodies the shareholders appoint, or are supposed to appoint, the auditor, and the auditor is supposed to be the safeguarder of the shareholders' interest as between them and the management. So I suggest, as I have suggested before—and I say now in support of the suggestion of the hon. member for West Calgary—that the shareholders, represented by this parliament, should really be the appointees of the auditor, namely, the Auditor General of Canada. The great respect in which the institution of Auditor General is generally held throughout Canada is based upon the fulness of the report which he from year to year presents to parliament, and upon the freedom which parliament is allowed to scrutinize that report. We contend, and I am wholly in accord with the suggestion, that it would be better if the Auditor General were constituted the auditor of the harbour boards.

The Minister of Finance mentioned the port of Vancouver. I do not wish to inject here a discussion of that port, but I would like to call this to the attention of the committee as an argument in support of the very point we are advancing: The commissioners in the port of Vancouver have been appointed by the government. As a result, these appointments are necessarily more or less political in their character. There is no question about it that when the harbour board was constituted in 1913, the commissioners were appointed as friends of the then government. In 1921 the incoming government removed the old commissioners and appointed three new ones. I may say—because the House ought to be made aware of it, although I think it is generally pretty well within its knowledge—that during the past two years there has been considerable criticism of the administration of that important port—criticism on the part of the board of trade, the shipping federation and other prominent organizations of business men. Arising out of that criticism, and supporting what was suggested by the hon. member for West Calgary a moment ago, I have come to the conclusion that it would be desirable to have on these commissions an appointee identified with the local interests affected, such as in my own city, for instance, a representative of the board of trade, or of the shipping federation, or of the interests that are more or less directly identified with the business carried on through and by the harbour board. I have a very strong conviction that it would be desirable to do that.

Without wishing to be critical at the moment, I may say that the three new commissioners recently appointed in Vancouver are all gentlemen of very excellent standing: they are personally men of integrity, respected by all those who know them and wherever they move. Nevertheless in spite of that fact there is a good deal of criticism because of the requests and suggestions of those using the harbour not being considered. I simply mention that as an illustration of what we have already said. We can do very much to remove the criticism of these commissions if, in the first place, a proper independent audit is made which would carry with it the full confidence of the people. Secondly, and here I am supporting what the hon. member for West Calgary said a moment ago, these commissions should have within their membership individuals who are identified with the interests using the port. For a long time it has been felt that the great province of Alberta, with its large interests in the shipping of wheat through the port of Vancouver, should have been represented on the Vancouver harbour board, and I offer to the government now this suggestion that they take into their very earnest consideration the enlargement of that board and the appointment thereon of a representative person from Alberta who would understand the

needs and the interests of that province. I think that would tend to bring about greater harmony between the different sections of the country using that great port. The situation may not be quite the same at Montreal, and perhaps the local interests can very well take care of it, but there is a rather peculiar and delicate situation in the case of Vancouver.

When the Minister of Finance intimated a moment ago that there had been some default in the payment of interest by the Vancouver harbour board, I was very much surprised.

Mr. ROBB: I did not say default; I said delay.

Mr. STEVENS: I cannot distinguish between the two. If there is delay in payment of interest, it must be delay beyond the time when the interest is due; therefore the interest must be in default. It might be in default for only one day or for a year. I made inquiries early last session—or it might have been the previous session; I will go back two years anyway—and was advised by officials of the government, that the interest and sinking fund had been well maintained in regard to the port of Vancouver. I certainly am very, very much surprised, chagrined, indeed, to think that the port of Vancouver should in any way default either in the sinking fund or in the payment of interest. There is no need for it, and I say to the government: Not only put on pressure, but see to it that there is no such dereliction on the part of the commissioners in the payment of their proper obligations, because goodness knows they are collecting high enough fees. I am almost tempted now to go into another subject and to say that these fees ought not to be as high as they are, but there is no reason in the world why out of the large earnings of that port the interest should not be promptly paid and all provisions in regard to the sinking fund properly maintained.

I conclude by supporting my hon. friend from West Calgary, and in urging upon the government these two points: That the Auditor General be constituted the auditing power of the harbour commissioners—I am referring to commissioners who receive money from the exchequer direct in the way of loans or grants—and that these boards, or at least some of them where different interests are affected, should include representatives of the local interests using the ports.

Mr. WOODSWORTH: I should like to endorse the position that has just been taken by the hon. member for Vancouver Centre with regard to the question of auditing. I recall several years ago, when some of us were urging bank inspection, that the then Minister of Finance took the position that the ground was covered when the government were able under the existing arrangements to send in an inspector whenever they deemed it advisable. That is precisely the ground that has been taken this afternoon by the Minister of Finance with regard to the audit question. Many hon. members will recall that after that position had been taken regarding bank inspection there occurred the failure of the Home Bank, which brought home to the public at large the necessity for a more adequate system of inspection. It was then provided that the government should assume responsibility for inspection. It had been stated that if there were a government inspector, a very large staff would have to be employed. I think it was later recognized that this was not essential, and legislation was passed providing for the appointment of an inspector-general who would have charge in a general way of all inspection. It seems a very reasonable thing that something of this kind should be done with regard to these important commissions. I do not know why there should even need to be a duplication of auditors. If the auditing is to be done by the government it would be quite unnecessary that the harbour board should have its own auditors. I gladly support the position already taken.

Mr. COOTE: It seems to me the proposal advanced that the Auditor General should do the work of the harbour commission is so logical and reasonable that it should not be necessary to say anything more in favour of it, except to commend it to the good judgment of the members of the government. Rather than involve extra expense it would probably save a good deal of money, because if the Auditor General were the official auditor for the harbour commission the Finance minister would certainly never be called upon to send out auditors under the audit board. So that there would be distinct saving, and as I know the Finance minister is always looking for a place to save something in the way of expenditure, I gladly commend the scheme to him and hope it will receive the approval of the government.

Resolution reported, read the second time and concurred in. Mr. Cardin thereupon moved for leave to introduce Bill No. 60, to provide for a loan to the harbour commissioners of Montreal.

Motion agreed to and bill read the first time.

SOLDIER SETTLEMENT ACT, 1919, AMENDMENT

Hon. ROBERT FORKE (Minister of Immigration and Colonization) moved that the House go into committee to consider the following proposed resolution:

Resolved, that is is expedient to amend the Soldier Settlement Act, 1919, and to provide—

1. That a settler whose land agreement with the board has not been terminated may make application for the revaluation of the said land, and that the depreciation to be determined shall be the diminution in the present value of the land and the improvements sold to the settler, as compared with the price at which the settler agreed to purchase the said land and improvements from the board.

2. That where it is shown that there has been depreciation in the value of the land and improvements, credit shall be given the settler as on the standard date in 1926, with the amount of the depreciation as finally determined, and the balance owing by the settler shall be consolidated and the total cost of the property may be amortized over the remaining period of the loan.

3. That the expenditures necessarily incurred thereby shall be paid out of moneys appropriated from time to time by parliament to soldier land settlement.

Motion agreed to and the House went into committee, Mr. Johnston in the chair.

Mr. CLARK: Would the minister explain?

Mr. FORKE: I do not think it is necessary to take up any time at the present moment in discussing this resolution. Hon. members who were in the House during the last parliament will remember that the bill was introduced and was discussed and passed in the House, but afterwards, when it was sent to the Senate, it was amended in some respects. In fact the amendments restored the bill almost to the position it was in when it first came into the House of Commons. I intend to introduce a bill based on the resolution along the lines of the bill of last session as it came from the Senate, with the amendments that were added to it after it left the House of Commons. Owing to the dissolution there was no opportunity last session for the bill to come back to the House. I think most of the members who were in the House during the last parliament are familiar with the whole subject and familiar with the bill. However, if this resolution is allowed to pass there will be ample opportunity to discuss it when the bill is before the House.

Mr. CLARK: Will the minister explain to the committee just what clause 1 means?

[Mr. Coote.]

Mr. FORKE: I think it means just exactly what it says. I do not know what other explanation the hon. member wants, unless he wants a little amusement out of the matter.

Mr. CLARK: That answer does not amuse me very much. The section requires some interpretation, and I should like to have it interpreted.

Mr. FORKE: I will read it.

Mr. CLARK: I have read it and I want it interpreted. I would like to know, in simple language, what it means.

Mr. FORKE: Will the hon. gentleman tell me his difficulty?

Mr. CLARK: I want to know what it means.

Mr. FORKE: It means what it says.

Mr. CLARK: If that is the best the minister can do I will have to accept it.

Mr. FORKE: If the hon. member cannot understand it, it is not my fault.

Mr. CLARK: This is one of the most extraordinary exhibitions I have ever seen given by a minister in this House. Here is a resolution the language of which certainly is not simple. To me, though I am a lawyer, it is open to two or three different interpretations. I should like to know in simple language just what that clause means. With all due deference to the minister, I think I am entitled to an explanation, because depending upon the meaning given that clause by him, I have some very vital questions to ask and perhaps some remarks to make.

Mr. FORKE: I should like the hon. member to put his question. I would ask the committee to allow the resolution to pass, and when the bill is introduced there will be ample time for discussion. It seems to me that the hon. member is trying to create a difficulty that does not really exist. However, if he will ask me a plain question I will try to give him a plain answer.

Mr. GUTHRIE: The question is very plain: A brief explanation of the clause is all that is asked. The House is entitled to that, and certainly every minister always grants it. I think my hon. friend is making a mistake in declining to give an answer.

Mr. FORKE: Mr. Chairman, I will read the clause and try to elucidate some of the difficulties that seem to be bothering hon. gentlemen on the other side.

1. That a settler whose land agreement with the board has not been terminated may make application for the revaluation of the said land,—

I suppose that is all right?

Mr. BENNETT: Does that apply to crown land as well?

Mr. FORKE: It applies to land on which soldier settlers have been settled; that is all it means.

—and that the depreciation to be determined shall be the diminution in the present value of the land and the improvements sold to the settler, as compared with the price at which the settler agreed to purchase the said land and improvements from the board.

I think that is not very difficult to understand. We know that when those lands were sold to the settlers they were sold at a very high valuation. Land values have depreciated since that time, and it is generally felt that something should be done to remove the disabilities under which the soldier settlers are suffering through having bought their land at inflated prices. It seems to me that that is as clear as it could be expressed.

Mr. CLARK: What is "diminution in the present value?"

Mr. FORKE: A board of arbitration will be appointed to work out the present value. That is not as easy to arrive at as my hon. friend seems to imagine.

Mr. CLARK: I want to know what we are submitting to this board of arbitration.

Mr. FORKE: That will appear in the bill.

Mr. CLARK: Then after you pass the legislation will the board of arbitration interpret what the statute means, or is the House to find out now?

Mr. FORKE: I am afraid the hon. gentleman is labouring under so many difficulties that it will be impossible for me to enlighten him this afternoon.

Mr. CLARK: If I could get an interpretation of this clause I might have no difficulties.

Mr. FORKE: If the hon. member reads it often enough he may get some light as to its meaning.

Mr. CLARK: I do not propose to encumber Hansard. I want an explanation.

Mr. FORKE: Mr. Chairman, I think the objection the hon. member is offering is not for the purpose of getting information, and I think he had better let it go for the present.

Mr. CLARK: No, I do not propose to let it go.

Mr. FORKE: Then proceed.

Mr. CLARK: I want an explanation, but if the minister admits to the committee that he can give no explanation, I suppose I must be satisfied.

Mr. FORKE: Will the hon. gentleman kindly tell me what he wants?

Mr. CLARK: I want to know what "diminution in the present value" means.

Mr. FORKE: The difference between the valuation we put on that land to-day and the valuation put on it at the time the settler bought the land. Anything further?

Mr. CLARK: What will be the date of the "present value"?

Mr. FORKE: After the bill has been passed by parliament and a board has been appointed and has made a valuation; that will be the valuation.

Mr. CLARK: I am afraid that does not answer my question at all. I want to know what is the "present value".

Mr. FORKE: The present value will be the value appraised by the board of valuation to be appointed for that purpose.

Mr. CLARK: The House will not decide?

Mr. GUTHRIE: I suppose diminution in the present value is not what is really meant. The clause is badly drawn. Really it is the difference between the former value and the present value; but the resolution says "diminution in the present value".

Mr. YOUNG (Saskatoon): The difference between the present value and the former value is what is meant.

Mr. FORKE: The resolution was drawn by the law officers. The meaning may not be stated in the best language possible, but I am not responsible. We will try to make it plain in the bill so that hon. members will have no difficulty in understanding what is meant. Really I do not think any good purpose is being served by the hon. member at the present time, with all due deference to him.

Mr. GUTHRIE: We have a right to expect civil answers to our questions. The minister will find as he proceeds that a soft answer is very effective.

Mr. FORKE: I do not wish anyone to be under the impression that I am not trying to answer questions civilly. I trust that I shall always be ready to give a civil answer to any question asked me across the floor of the House. If I thought there was any real difficulty in understanding the first clause of this resolution, I certainly would have taken a little more care in trying to explain it. But I want to bear tribute to the intelligence of the hon. member for Burrard; I think he can understand that clause just as readily as anyone in this committee—if he wants to.

Mr. CLARK: Mr. Chairman, really I am astonished at the minister's stand. I asked him a question on a phrase which gave me trouble, and apparently it also gave trouble to my hon. leader (Mr. Guthrie) and to my hon. friend from West Calgary—two very able lawyers. I can attribute no meaning whatever to clause 1 in this resolution. I saw it only a few minutes ago, and after a cursory reading I am unable to understand what "diminution in the present value" means. It seems to me that the present value could not diminish. How could it? But if the government intends to present a resolution to revalue soldier lands on the basis of their value to-day and the value when their purchase was recommended, and give the soldier settlers credit for the difference, there may be some meaning to it; but this resolution does not say that at all.

Mr. KING (Kootenay): Yes, it does.

Mr. BENNETT: The present value has not diminished.

Mr. KING (Kootenay): The present value as compared with the price at which the settler agreed to purchase.

Mr. MILLAR: I think if members would read the clause there would be no difficulty, starting with:

—the present value of the land and the improvements sold to the settler, as compared with the price at which the settler agreed to purchase the said land and improvements from the board.

Mr. BENNETT: The diminution must be in the former value.

Mr. MILLAR: That is plain enough for any ten year old child to understand.

Mr. CLARK: I would suggest, Mr. Chairman, that the minister amend his resolution right now so that it will have some meaning. We want to pass effective legislation for this purpose.

[Mr. Forke.]

Mr. ROBB: What does my hon. friend suggest?

Mr. CLARK: Offhand, I would say, "reduction in the former value" rather than in the "present value".

Mr. FORKE: Would the word "difference" suit my hon. friend instead of "diminution"?

Mr. CLARK: I think if you struck out the word "present" the clause would mean something.

Mr. FORKE: All right.

Mr. CLARK: Mr. Chairman, I should like to bring up what I think is a very serious matter on Vancouver island with respect to an area where soldiers' lands were purchased at the value then set by the board. Those lands to-day appear to have no market value at all and no value for agricultural purposes. I wanted some explanation from the minister for the reason that I have a letter to-day from one of these settlers. He and his brother, two returned soldiers, purchased the land, which was passed by the Soldier Settlement Board, for $13,000. I am quite certain his brother did not see it; I can tell that from the letter, but whether he personally saw it or not I do not know. There is a possibility that he did not see it, for he accepted the valuation of the board as giving the true value of the land. He went on the land and since that time has been practically in a state of starvation. He paid one-tenth down, and subsequent valuations indicate that the land is of no value whatsoever for agricultural purposes.

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

After Recess

The House resumed at eight o'clock.

PRIVATE BILL

SECOND READING

Bill No. 41, to incorporate Columbia Life Assurance Company—Mr. Stevens.

SOLDIER SETTLEMENT ACT, 1919, AMENDMENT

The House again in committee on a proposed resolution to amend the Soldier Settlement Act, 1919—Mr. Forke—Mr. Johnston in the chair.

Mr. STEVENS: I wish to ask the minister a few questions in regard to this resolution with the object of getting an explanation, and

I shall preface that request with some very brief observations. During the last week the House has witnessed a spirit of courtesy and co-operation which I think has been unparalleled in my seventeen sessions in parliament. We have expedited, or tried to expedite, the passage of the various measures. This afternoon we advanced several important bills for the Minister of Finance with scarcely any comment, and I must say that the ministry have been very prompt in making brief statements and explanations of the various measures introduced. This fact we welcome and appreciate. Now, speaking for myself alone I am exceedingly anxious that we should expedite the business of this session. We have had a couple of years of pretty hard parliamentary duty, and I think both the country and parliament will be the better for a little surcease from bitterness and controversy. I can say on behalf of my colleagues on this side that we have tendered our hearty co-operation and, as far as we could extend it, courtesy in these matters, and I should be very sorry to see this spirit dissipated in any way. It takes two to make a bargain as well as two to make a quarrel, and if we have a response from the ministry such as we have had during the past few days I think we can assure them of reasonable co-operation. Of course we reserve always our right to question and criticise measures—and I may add that the ministry will find a keen and critical opposition very often a very valuable factor.

I would remind the committee that last year this particular measure was perhaps one of the—I was going to say the most poorly drafted measures introduced. I am not placing the blame upon the minister who had the bill in charge, because there are officers of the House who are supposed to assist in the drafting of these measures; but last year I recall that the whole House was engaged, sitting after sitting, in correcting the drafting of the bill that was presented to it. It was very faulty drafting, and the minister withdrew it two or three times and had certain sections redrafted. That is what occasioned the query regarding the drafting of the present resolution, and while the point has been referred to already I should like to allude to it again. It is quite clear to me that the wording of the resolution, and of this particular clause as it now reads—it has not yet been formally changed—namely, "the diminution in the present value" is a meaningless term, or a term that certainly does not fit in with the intent of the proposed legislation. The intent is to provide for the diminution of the difference between the original price and what the price may be at a given time fixed by parliament, which is an altogether different thing. Had it specified a diminution in the purchase price, which would be the exact reverse of the present reading there might be some sense in it, but as the provision now reads it has no sense. What I want to ask the minister is this: In the light of his assertion that this is the same measure that was introduced last session—and I think he described it as the same resolution and the same bill which had passed both houses of parliament—how does he explain the resolution of last year as compared with this one? There is very little resemblance between them. This resolution consists of three very short clauses; the resolution last year occupied a whole page and contained seven different specified clauses. Furthermore, certain matters which were referred to in the resolution last year are not referred to in the present resolution. Now, Mr. Chairman, had we accepted the minister's statement and passed this resolution we would have been more or less precluded from offering criticism later with respect to the difference between the two resolutions. The minister should explain to the committee what changes there are in this resolution from the preceding one and the reasons for the changes. I have no doubt they are sound and probably an improvement, because the original resolution of last year, with the bill based thereon, was certainly far from a perfect measure. After the minister has stated the changes we shall be able to judge whether they are matters of principle or merely matters of detail. As I received the journals of the House only a few minutes ago I have not yet had time to analyse the long resolution of last year as compared with the resolution of this year, but certainly there is a marked difference.

Mr. MACKENZIE KING: Before the minister replies I might say a word to my hon. friend about the resolutions as they appear on the order paper this year as compared with previous years. Last year there was a good deal of comment in the House about the length of resolutions. In many cases the resolutions were, I will not say longer than the bills that were introduced, but they were practically as long; they comprised nearly the whole of the bills. The purpose of a resolution is not to go into the details of a bill, but rather to acquaint the House with its main purpose and any major considerations of which account should be taken.

Last year the government drew the attention of the law officers of the crown to this feature and it was again drawn to their attention this year. They were asked whether there was any necessity of making the resolutions unduly long and whether the purpose of parliament could not be as well, if not better, served by an abbreviated rather than by a lengthy resolution. The resolution as drafted now is one case where the law officers of the crown themselves have cut down the original resolution to a length they regard as quite sufficient for the purpose it is intended to serve.

Mr. STEWART (Edmonton): With regard to what my hon. friend (Mr. Stevens) has said in connection with the bill of last year, I think his memory does not serve him well. The reason that the bill was withdrawn on three different occasions was that an endeavour was made to meet widened powers suggested by members of the committee—

Mr. STEVENS: Certainly.

Mr. STEWART (Edmonton):—and not because the drafting of the bill was faulty.

Mr. STEVENS: There was some faulty drafting.

Mr. STEWART (Edmonton): In some slight respects there was, but the reason the bill was withdrawn and amended from time to time was in order to meet, as the government has always endeavoured to do, the divergent views of members of the committee of the House with respect to soldier legislation. When the bill went to the Senate practically every amendment suggested in committee of this House was repealed and the bill came back in its original form. The hon. member for Fort William (Mr. Manion) was then on this side of the House and he suggested that we pass the bill as amended by the Senate. That is the bill which is being reintroduced on this occasion. While it may not meet the views of many hon. members, nevertheless as it ran the gauntlet last year in both houses, it was felt that the bill would be acceptable in the form in which it came back to this House for ratification.

Mr. STEVENS: Unfortunately the Minister of the Interior was not in the House just before dinner. What I was trying to do was to protest mildly against the treatment that we were receiving from the minister who had the bill in charge. I desired to suggest to the minister that if he would attempt to meet us frankly in our request for an explanation, the passage of the bill would be facilitated. I wanted also to emphasize this, as was borne out by the statement of the Minister of the Interior, that this was a very difficult measure. It engaged the attention of this chamber on both sides for many sittings and a genuine effort was made to make the bill as serviceable and effective as possible. The Minister of the Interior then in charge of the bill responded to several suggestions which were offered from this side of the House by way of amendment. If the minister will be good enough to explain briefly the resolution in its amended and abbreviated form, which may be and, I hope, is an improvement on the resolution that was introduced last year, but which is certainly not the same resolution, matters will be facilitated.

Mr. FORKE: I have not before me the resolution as it came before the House last year. Perhaps the explanation that the Prime Minister has given may explain why there are some differences in the resolution of this year. I think the committee will sympathize with me when I explain that when I read the resolution I found that exactly the same phraseology was used as was used in the bill of last year after it passed the House of Commons and passed the Senate. It ran the gauntlet of the House of Commons with exactly the same phraseology; it ran the gauntlet of the Senate and passed the Senate in the same way. Now it comes back to the House in exactly the same wording, and yet the hon. member (Mr. Clark) who questioned me could not understand what it meant. To me it seemed plain enough. Perhaps I may have been lacking in giving credit to the hon. member for seeking information, but I will read the phrase as it occurred in the bill:

> The depreciation in value to be determined shall be the diminution—

Exactly the same words.

> —in the present value of the land and improvements sold to the settler as compared with the price—

And so on. The same wording is used as that in which the bill pased the Senate and the House of Commons. That, my hon. friends say to-night, has no meaning. I cannot understand it; I am quite willing to use any other words.

Mr. STEVENS: Are those words to which my hon. friend refers in the bill?

Mr. FORKE: They are in the bill that passed the Senate last year.

Mr. STEVENS: Then they are meaningless.

Mr. FORKE: My hon. friends allowed them to pass last year.

Mr. CLARK: A different bill came back from the Senate.

Mr. FORKE: I am not in a position to say whether the same phrase was used in the original bill. I am reading from the bill that came back from the Senate.

Mr. STEVENS: Let me offer to the minister a practical suggestion, one that, I think, must be adopted. This wording must be changed if the bill is to be of any value. I would suggest that it read:

And that the depreciation to be determined shall be the diminution in the original purchase price.

That is what the minister is trying to get at, not the diminution in the present value. There can be no diminution in the present value. There may be diminution in the original purchase price. The wording might be:

The difference between the purchase price and the present ascertained value.

I want the minister to appreciate the fact that the hon. member for Vancouver-Burrard was offering this suggestion to him this afternoon. If the minister will respond to our suggestions this matter can be corrected in a few moments and we can have the legislation put through in something like decent order.

Mr. McMILLAN: Might I say that the observation of the hon. gentleman would not be sensible at all if he reads the bill all through?

Mr. STEVENS: It will. If my hon. friend wants to argue the point we can do so; but I have already pointed out that we are anxious to facilitate the passing of the bill, and if the minister will accept our suggestions the passage of the bill will be facilitated. There can obviously be no diminution in the present value.

Mr. McMILLAN: I understand that. Let the hon. member read the whole clause as he would have it.

Mr. STEVENS: I am not drafting it. I offer the suggestion to the minister that it should read:

The depreciation to be determined shall be the diminution in the original purchase price.

I offer the minister another suggestion; that it should read "shall be the difference in the value" from the original purchase, and so on. If the minister would accept that suggestion, or would strike out the word "present" we could get along with the business.

Mr. CLARK: I understood both the Prime Minister and the Minister of Public Works this afternoon to agree that the clause should read, "diminution in the value," and so on. Do I understand that the Minister of Immigration does not approve of that suggestion?

Mr. FORKE: I have not had time yet to consider it, Mr. Chairman.

Mr. CLARK: That was this afternoon.

Mr. FORKE: I am quite prepared to meet hon. members reasonably. I think we are all anxious to have the bill in the very best possible shape for all concerned, and if it is thought that striking out the word "present" will make the clause any better, I am quite agreeable. Will that satisfy hon. members?

Mr. STEVENS: That seems to be all right.

Mr. FORKE: I am willing to strike out the word "present" then.

Mr. STEVENS: It is the minister's prerogative to move that the word "present" be struck out.

Mr. FORKE: I move, Mr. Chairman, that the word "present" in the third line of clause 1 be struck out.

Amendment agreed to.

Mr. McGIBBON: What is included under the term "improvements"?

Mr. FORKE: Ordinary farm improvements, I suppose, such as fencing and a great many other things. It is pretty hard to state definitely just what would come under the head of improvements. You would have to see the actual farm and see what had been done.

Mr. McGIBBON: We are not discussing what the hon. gentleman supposes might be included. We are entitled to know what he means. He surely knows what he means.

Mr. MILLAR: It seems to me that striking out the word "present" makes it worse than it is now. The diminution in value when? Does it mean a month after the land was originally purchased, two months after, five years after, or when?

Mr. McGIBBON: I submit, Mr. Chairman, that I have certain rights in this House, and I do not intend that you or anybody else should deprive me of them. When I ask a question I am entitled to an answer.

The CHAIRMAN: The hon. gentleman has asked a question of the minister. Of course, I cannot force the minister to answer it.

Mr. NEILL: I was in favour of the change in language suggested by the hon. member for Vancouver Centre until the word "present" was struck out. I agree with the hon. member for Qu'Appelle that striking out the word "present" is going to make it a great deal worse, because the first question the layman will ask will be, "The value when?" Surely it is desirable to state the period when you are going to make the comparison. I do not like the word "diminution" very well, but this is only the resolution, and the word may not be in the bill, so it is not important just now. It would read better, I think, if it read "shall be the difference in the present value of the land and the improvements sold to the settler, as compared with the price at which the settler agreed to purchase the said land and improvements" but as it reads now, "shall be the diminution in the value of the land and the improvements sold to the settler," it might almost be taken to mean the value at which it was sold. It leaves it open to discuss the question, at what date? I cannot see any object to be gained by striking out the word "present" unless you go further and insert the whole suggestion of the hon. member for Vancouver Centre.

Mr. McGIBBON: I wish to protest against the contempt with which the minister is treating this committee. The hon. member for Vancouver-Burrard before six o'clock asked for certain information and he was sneered at, and the minister is now treating the committee with contempt. He might as well understand now as hereafter that if he is going to get his bills and estimates through this House he will have to give a little consideration to members on this side. If he does not, we will make him.

The CHAIRMAN: I was following the remarks of the minister very carefully, and I cannot see how he can be charged with treating any hon. member with contempt.

Mr. HANSON: Who made the chairman the judge?

Some hon. MEMBERS: Order, order.

Mr. FORKE: I am entirely at a loss to understand my hon. friend's suggestion that I have treated him with contempt.

Mr. GUTHRIE: There is another great omission in this resolution. Last session the question as to who was to make the valuation, what was to be the machinery, was one of the chief bones of contention. There is nothing in this resolution to give us the slightest inkling. That was one of the cardinal principles of the act of last session, but we know nothing about that from the resolution before us. I admit that a great many details should be left out of a resolution, but this is a very important point. What board are you forming? Who is to determine this question?

Mr. STEWART (Edmonton): Surely my hon. friend will agree that it expedites business to shorten the resolution, and give the full details in the bill?

Mr. GUTHRIE: The rules of the House provide that the resolution shall acquaint the House generally with the contents of the bill.

Mr. STEWART (Edmonton): In the most meagre form possible.

Mr. GUTHRIE: It does not say anything about meagre.

Mr. STEWART (Edmonton): My hon. friend will admit that if progress is to be made with the business of the House we cannot discuss the whole details of a bill both on the resolution and when the bill itself is brought down.

Mr. GUTHRIE: I have heard the details discussed many a time on a resolution in this House.

Mr. STEWART (Edmonton): I have too, but it is certainly a means of provoking a great deal of unnecessary discussion.

Mr. GUTHRIE: If the information was given it would expedite business very much. Is there any object in withholding the information? What machinery do you propose? There is nothing in the resolution to show. The easiest way to overcome the difficulty would be to tell us.

Mr. BROWN: The minister said that the bill he intended to introduce was in the terms of the bill as it passed the Senate and came back to this House.

Mr. GUTHRIE: This is not the same parliament as last year.

Mr. BROWN: I think the terms of that bill are pretty well understood.

Mr. McGIBBON: You could give us the information in half the time.

Mr. BROWN: It seems to me, Mr. Chairman, that if we are going to have a committee to revise the rules of the House, one point they might very well consider is this question of the introduction of bills preceded by a resolution. A resolution is undoubtedly desirable in some cases, but in a case of this kind it is absolutely unnecessary to give the details. The bill is one on which there is no difference of opinion in the House. This legis-

lation has been before parliament for the last five years, and we all know its purport. It would certainly facilitate business to allow the resolution to pass, so that we could have the bill read and go into committee on it, when all these details could be discussed. Undoubtedly it is wise that some bills should be introduced by way of a resolution, and at times it may be desirable to give all the details or at least some details. But in view of the history of this particular legislation it seems to me that we should be only wasting time to discuss the details on the resolution, for when the bill comes down we shall see exactly what is in it and will have full opportunity to discuss all the details.

Mr. CLARK: I suggest that it would be a very simple matter, if the minister has the bill before him, to tell us what the provision in the bill was as it came back from the Senate. It would take only a moment to do that, and would eliminate these long speeches. I for one took a very great deal of interest in this legislation last year. The bill was amended in many particulars in this House and re-amended in the Senate, and I cannot recall just in what form it came back to us. Moreover, I am sure many of the new members know nothing about it.

Mr. LAPOINTE: The bill will be printed, distributed and passed in its final form before hon. members will be asked to discuss the various provisions of it.

Mr. CLARK: We are not discussing it now. We want the minister to tell us what the principle is.

Mr. LAPOINTE: This practice of having all bills which provide for the expenditure of public money preceded by a resolution is an old custom which has existed a very long time, and there is that difference between such legislation and ordinary legislation. It has never been claimed that the resolution should be framed as the bill would be, and I do not see why my hon. friend should be anxious to ask, for instance, to have a certain word inserted in the resolution, because that resolution will not be the law. It is merely advice given to the House that a bill will be introduced which will be discussed, and it will be changed; the language of the bill will be modified according to the wish of the House. But surely we are wasting our time trying to find a better word for some word which appears in that resolution.

Mr. CLARK: I do not see how the House would be giving authority to introduce a bill if we passed a meaningless resolution.

Mr. LAPOINTE: It is merely for the expenditure of money.

Mr. CLARK: I am not going to debate this at length, because I think it is quite useless, I was anxious to find out what it meant. It meant nothing, as has been admitted by members on the other side, but I think the difficulty has been cleared up to my satisfaction. I wanted to draw to the attention of the minister and the government the situation that follows upon the interpretation of this resolution as it has now been explained. I commenced before six o'clock to draw the attention of the minister to a particular class of case and I wanted to know whether any provision was going to be made to meet that particular case. A man, for instance, purchased a piece of property on Vancouver island; the price was $13,000. The Soldier Settlement Board recommended a loan on that basis. The soldier has resided there since the purchase, but has never at any time been able to make enough to pay interest. He had, however, placed in that purchase probably all of his savings. It has since been ascertained that the property is valueless as an agricultural property. There is a large number of these cases, where men who came back after serving their country, and who were unfamiliar with prices in the first place and perhaps unfamiliar with agriculture, or at least unfamiliar with and not judges of the fertility of land, relied upon the judgment of the experts provided by the Soldier Settlement Board. The case to which I refer was in the constituency, I think, of my hon. friend from Nanaimo. In that case the man served his country, returned to Canada, accepted the advice of the Soldier Settlement Board and invested all his savings in the property, and has not been able to make a living, much less pay interest.

Mr. NEILL: How much did he borrow?

Mr. CLARK: I have not the amount before me, but my hon. friend can judge from the amount of the valuation.

Mr. NEILL: He probably borrowed the full amount that he could obtain.

Mr. CLARK: He probably did, but it does not matter whether he borrowed one thousand or ten thousand, the land is valueless, and it was passed upon by a government official. As a matter of fact I think his contract has been cancelled because he did not pay. He has lost his right to come under this legislation and have the land revalued, or have it established that the land was commercially valueless. That class of case is entitled to better treatment, and that case should be provided for in this resolution.

There are not so many cases of this kind that this country cannot afford to take care of an occasional mistake, or of many mistakes, made by the government officials in valuing the land. We can afford to take that man to another piece of land, give him credit for the amount he paid on the valueless land, and enable him to get another start in life. To-day immigrants who are strangers are assisted to come in and take up land. Men from the mother country are coming in and receiving assistance, and great care is being taken in the choice of the land upon which they are placed. They are being given privileges that our own Canadians who served this country over a period of years are denied, I make, therefore, this request—and I think it is a very reasonable one—that that class of case be taken care of now. That is what I had in mind before the adjournment when I asked the Minister of Immigration a question about the meaning of the resolution.

Mr. BROWN: If anything is necessary to illustrate the absurdity of the situation in which the House now finds itself, it is the speech of the hon. member. Here we are dealing with a resolution providing for the introduction of a bill. In that bill when introduced there will be undoubtedly a clause defining those who are to benefit by the bill. For anything the hon. member knows his particular case may be provided for.

Mr. CLARK: I know that it is not, because it is not provided for in the resolution.

Mr. LAPOINTE: It is not necessary that it should be.

Mr. CLARK: I am drawing attention to it in the hope that it will be provided for.

Mr. BROWN: The resolution does not indicate anybody who will be benefited by the bill, and I suggest that it will be the part of wisdom to wait for the appearance of the bill and then let the hon. gentleman make his speech.

Mr. GUTHRIE: Unfortunately the rules and practice of the House provide that the bill must originate in this committee; we must know what the bill is. The origin of the whole measure is here in the committee, and the origin of the whole measure must be submitted to His Excellency. That is why we are entitled to the information. Many times a discussion is left over until the bill is drafted. The matter is as broad as it is long. When the Minister of Railways introduced his resolution to the House, with his well-known courtesy he explained it to the House and when the bill came it required very little discussion. All we ask is a reasonable explanation of the bill. Is there any reason for withholding the bill? We have rights and are bound to maintain them. The expeditious way is to answer the questions as we ask them, and I ask what machinery does the government propose to adopt for the valuation of the soldiers' land—a question the minister can answer in a moment. Why does he not do so?

Mr. FORKE: I have not had an opportunity. I have been willing to answer it for ten minutes. It is machinery that was provided in the bill as it left the Senate last year.

Mr. GUTHRIE: That gives me no information.

Mr. FORKE: The machinery that is proposed will be the Soldier Settlement Board and the representatives of the settlers. If they are unable to agree it will be referred to the Exchequer court. That is the machinery that is proposed in the bill.

Mr. STEVENS: Referred to the Exchequer court?

Mr. FORKE: Yes.

Mr. STEWART (Edmonton): That was the amendment proposed by the Senate.

Mr. CLARK: That was never before the House of Commons.

Mr. STEVENS: I might point out to the minister that we asked in the interests of the settler that any dispute should be referred to the local county court judge. I recall a very long discussion on the point, and I think my hon. friend—now the Minister of Immigration and Colonization—when he sat over here spoke along those lines himself. The point, really the most important in the whole bill, is whether or not we are going to give to the soldier settlers in these various localities a fair chance to get their revaluations made. Now the minister tells us there is to be a reference to the Exchequer court. I ask any member of this House, what chance has a poor settler in British Columbia or the prairie provinces to get a revaluation if he has to take his appeal to the Exchequer court here in Ottawa? For all the good it will do him you might just as well toss this resolution out of the House at once. There is not the remotest ghost of a chance of his getting any remedial treatment. I submit that that would be worse than the original suggestion in the resolution last year, from which this resolu-

tion, I repeat, is wholly different, because the former resolution included not only provision for the adjustment of these things and that the expenditure incurred should come out of the consolidated revenue fund, but it also recited and indicated the method by which this was to be accomplished. Through my hon. leader we have elicited that this is an entirely new measure, and yet the minister told us a few minutes ago that it was along the same lines as that of last year.

Mr. FORKE: Mr. Chairman, when I introduced the resolution this afternoon I explained that the bill which would follow it would be along the lines of the bill passed by the Senate—I hope my hon. friend gets that—and that that bill provided for a reference to the Exchequer court.

Mr. STEVENS: My hon. friend never told us about the Exchequer court until a few minutes ago.

Mr. FORKE: I stated that the bill to be introduced would be along the lines of the bill amended by the Senate, which provided that where the Soldier Settlement Board and the settler could not agree the case would be referred to the Exchequer court. So all my hon. friend's criticism relates to the bill that the Senate passed.

Mr. STEVENS: We are not here judging the Senate.

Mr. FORKE: Excuse me, Mr. Chairman, the hon. gentleman a minute ago said that I gave no information as to what the bill would be. If he will refer to Hansard tomorrow he will find that I am correct.

Mr. STEVENS: My hon. friend spoke of a bill that had passed the Senate and the House of Commons, but I am not going to quibble about that at all. What I am pointing out is that the resolution before us does not give a fair indication of the contents of the proposed bill which is about to be introduced; we are only now learning piece by piece what its provisions will be. My hon. friend from Lisgar (Mr. Brown) read us a lecture just now about losing time; I think he would have been better employed if he had not wasted the time of the House with those observations. The fact of the matter is, Mr. Chairman, that this resolution purports to contain the main principles of the bill, and the bill to follow is not supposed to depart from the resolution. Whether we like it or not, that is the rule of the House.

Mr. LAPOINTE: Does my hon. friend remember the resolution which preceded the introduction of a bill in this House to acquire the whole of the Canadian Northern railway system, involving an expenditure of hundreds of millions of dollars? That was a resolution of only two lines.

Mr. STEVENS: I have no doubt that that resolution was very comprehensively drawn.

Mr. LAPOINTE: Like Mr. Meighen, you are supposed to know.

Mr. STEVENS: I think this resolution is an improvement on the resolution of last year, but it does leave out this vital point—the nature or character of the arbitrating body that shall determine the revaluation.

Mr. STEWART (Edmonton): Mr. Chairman, as I went through a five or six day grilling last year on a similar bill, may I direct the attention of hon. members to exactly what happened on that occasion? When that bill was introduced my hon. friend from Vancouver-Burrard (Mr. Clark) argued strongly that the matter he has referred to to-night would be embodied in the bill; that is, that individuals who were not then resident on the land would be given consideration. I remember his spending several hours on that point.

Mr. CLARK: I never spent several hours.

Mr. STEWART (Edmonton): I am not finding any fault with the attitude of my hon. friend, but I think it was pointed out last year how hard it was to take cognizance of those who were not then resident on the land. I merely mention that in order that my hon. friend's memory may be refreshed as to his plea on that occasion.

Mr. CLARK: To-night I was speaking for the men who are at present on the land, but who have been practically foreclosed and ordered off.

Mr. STEWART (Edmonton): I misunderstood my hon. friend.

Mr. CLARK: I realize the impossibility of following men who disappeared perhaps three or four years ago.

Mr. STEWART (Edmonton): The individual he is speaking of to-night is still on the land?

Mr. CLARK: I think he is still there, but he is ordered off.

Mr. STEWART (Edmonton): He comes within the bill.

Mr. CLARK: I think not.

Mr. STEWART (Edmonton): Yes, those resident on the land come within the four corners of the bill.

Mr. CLARK: If his land is found to be commercially valueless, how is he covered under this bill; and what will be done?

Mr. STEWART (Edmonton): Nothing will be done unless there is some value in the land.

Mr. CLARK: I think the minister appreciates that there are many cases where men have gone on land that may have a nominal value; but the minister himself would not go on that land, and could not make a living off it if he did—in fact no human being could sustain himself there. That land might have a value of, say, $5 an acre. The result of the bill of last year, as I saw it, would be to give that man credit for the price he paid, less its then present nominal value, which might be $200. He would be required to pay only $200, but he would be left on that barren rock. He could not be dealt with under this resolution.

Mr. STEWART (Edmonton): My hon. friend cites what is an almost impossible case.

Mr. CLARK: No, there are many of them.

Mr. STEWART (Edmonton): I take my hon. friend's word for it. In the bill there is no provision to hand money back to the settler; that was clearly explained last year. If my hon. friend introduced a principle of that sort it would be so far-reaching and involve so many difficulties that the whole scheme would be impossible. Now my hon. friend has relieved my mind to the extent that the individual is still on the land and can be dealt with as generously as circumstances will allow. If the land is valueless, of course the case is to some extent hopeless.

Mr. CLARK: That is what I want provided for. I say that man has been misled. There are enough of these cases to warrant making provision for them in this bill by authorizing the Soldier Settlement Board to take men so circumstanced and transfer them to another area where the land would be fit to cultivate. There is plenty of land in this country available for that purpose. Of course, I am assuming that the men come up to a certain standard of fitness as agriculturists and are worth encouraging. In the majority of cases I think those men would qualify.

Mr. STEWART (Edmonton): My hon. friend is arguing now for what was provided in the former bill before it went to the Senate. I do not know in what shape it was returned to this House. But the present bill which my colleague is introducing is a copy of the bill which was amended by the Senate. The hon. member for Fort William (Mr. Manion) rose in this seat and asked me, when I occupied the seat across the floor, whether I had any objection to offer to the amendments of the Senate. I glanced hastily at the bill and was informed that it had been amended practically to its original form. I am bound to say that I doubt very much whether provision for decision by the Exchequer court was ever embodied in the original bill and I frankly confess that I did not notice that feature in the amendments. What we provided was intended to meet the suggestions of hon. gentlemen opposite and we included the feature with reference to the decision by the district courts. It was believed that the bill was acceptable to the members of the House. It was provided in the first place —and I agreed entirely with this—that only the settlers on the land should be given consideration, that is to say, those who have not left, who are still in possession. They are the only ones to be considered. In the next place, if the board and the settler fail to agree as to the valuation to be placed on the land the final decision shall be rendered by the Exchequer court.

Mr. CLARK: Was there not a provision that those who had been foreclosed for a period of six months prior to the passing of the bill should be given some consideration? Surely that consideration should still be extended to this class, as well as to those who may have been foreclosed in the last twelve months. Of course it is not mentioned in this resolution.

Mr. STEWART (Edmonton): I frankly confess that if that provision was in the bill I have no recollection of it.

Mr. CLARK: I am sure of it.

Mr. STEWART (Edmonton): We spent a day at least discussing the point and it was decided that only those in occupancy could be dealt with and not those who were off the land.

Mr. CLARK: Those lately foreclosed as well.

Mr. NEILL: That point was in the bill before it left the House.

Mr. WARD: Would it be possible to have this whole matter submitted to one of the standing committees of the House? It seems to me that this debate threatens to be interminable; we do not appear to be approaching any decision at all. I do think that the bill should be submitted to a committee of the House. I agree with the hon. member

(Mr. Clark) that the suggestion to submit the valuation finally to the Exchequer court is positively ridiculous. In fact, in my opinion it is equally ridiculous to expect the county court judges to deal with the matter. I understand that there will be fourteen or fifteen hundred cases in Manitoba alone, and it will be physically impossible for even the county court judges to sit on these examinations. If the bill were submitted to a committee, who could consider the whole matter in all its details and bring down a report to the House, we might make some progress.

Mr. BLACK (Yukon): According to the Minister of the Interior the bill will apply only to settlers actually on the land. I do not believe, from the wording of the resolution, that it will go even so far. The first line or so of the resolution reads:

> That a settler whose land agreement with the board has not been terminated may make application for the revaluation of the said land.

Suppose a man who is still on the land had paid $10,000 for the property and by great personal sacrifice raised the money to pay off the government's claim. The valuation today is $5,000; the land is found to be worth not more than that sum. Is that man to receive no relief, and is the government to keep from him that $5,000?

Mr. STEWART (Edmonton): That was the provision of the old bill.

Mr. BLACK (Yukon): But surely that man is entitled to some relief. As the matter stands, the only men who will get the benefit of this legislation are those who are still in debt, while those who have been industrious enough to raise the money to pay the government will be left unprovided for. Is it not reasonable that the industry, the ability and the success of the man who has paid off the purchase price should receive some reward, if we are going to help those who are still in debt?

Mr. STEWART (Edmonton): We did not provide for such relief.

Mr. BLACK (Yukon): Suppose a man had $5,000 to pay, and having paid two thousand he was unable to meet the balance of the indebtedness when it fell due. He was foreclosed and finally put off the land. Is he not going to get back that $2,000 or any part of it? If that is the situation, then it seems to me this is class legislation; it is not broad enough to cover the situation and is unfair to these classes of ex-soldiers I have mentioned. The government should not declare it impossible to deal with these classes; that is not the word to use. The government should admit that they do not intend to deal with these classes, preferring to penalize them, withholding from them the equitable treatment which this legislation will extend to others. I submit that the classes I refer to should be given consideration, as they easily could be.

Mr. STEWART (Edmonton): That point was exhaustively discussed last year, over and over again. Both classes mentioned, those who had completed their payments and those who possibly had suffered to some extent by reason of over-valuation, were considered, and it was decided not to include them in the bill.

Mr. BLACK (Yukon): Why?

Mr. STEWART (Edmonton): For the simple reason that the treasury would have to pay back the money.

Mr. BLACK (Yukon): Well, why not?

Mr. STEWART (Edmonton): I am not arguing the point; I am merely reminding my hon. friend that it was discussed thoroughly and it was decided that these men would not be taken care of. That was the conclusion of last year's parliament. This parliament may take another view; I do not know. But to suggest that the government is not sympathetic is hardly fair in view of last year's discussion and the decision arrived at. With respect to the other case to which reference has been made, the bill last year applied only to those who had payments to make and who were still in possession of the land. As regards the proposal mentioned by my hon. friend (Mr. Clark), that those who had been off the land for six months should be given consideration, I do not remember such a provision.

Mr. NEILL: They were to be allowed to come in again.

Mr. STEWART (Edmonton): And secure their land if it had not been sold?

Mr. NEILL: Yes.

Mr. McGIBBON: Will the minister give a definite answer to the question asked him by the hon. member for Vancouver-Burrard? There are in my district a number of ex-soldiers who were put on poor lands at the instigation of the government inspectors and I hold that the government is responsible for the acts of its officials. These lands have proved, unfortunately, almost worthless from the standpoint of agriculture. What will be the attitude of the government towards these

men? I do not think we should be guided by what was done either by the Senate or by the last House of Commons. We should be guided by a spirit of equity; this House should try to solve the problem in a spirit of fairness. There are in my district, as I say, soldiers who have incurred indebtedness to the government, and this on the advice of the officials of this government, although their land is almost worthless for agriculture. Will the suggestion of the hon. member for Burrard be carried out and will these men be given lands in a suitable agricultural area?

Mr. ROBB: I want to say just a word or two, not particularly with reference to the resolution, but in answer to the statements of the last speaker (Mr. McGibbon). I notice that all the speakers have attempted, in arguments that will go out to the country, to indicate that this government was responsible for the purchase of inferior lands at high prices.

Mr. CLARK: Mr. Chairman—

Some hon. MEMBERS: Order.

Mr. CLARK: I rise to a question of privilege. I deny—

Some hon. MEMBERS: Order.

Mr. ROBB: I will listen to the hon. gentleman when I get through.

Mr. CLARK: I am frank enough—

Some hon. MEMBERS: Order.

Mr. CLARK: —to admit that the land was purchased—

The CHAIRMAN: Order.

Mr. CLARK: —long before this government came into office.

The CHAIRMAN: Order.

Mr. LAPOINTE: Sit down.

The CHAIRMAN: The minister has the floor.

Mr. CLARK: I am answering an insinuation.

Some hon. MEMBERS: Order.

Mr. STEVENS: I rise to a point of order. My hon. friend (Mr. Clark) rose, and you may not have heard him state, Mr. Chairman, that he rose to a question of privilege. He is entitled to do that at any time and to state his question of privilege.

Mr. LAPOINTE: Surely that is not a question of privilege.

[Mr. McGibbon.]

Mr. STEVENS: No one can judge whether it is a question of privilege or not until he has stated it.

Mr. LAPOINTE: We know what he wanted to say.

Some hon. MEMBERS: Oh, oh.

Mr. STEVENS: Under the rules of the House, Mr. Chairman, we have a right to claim your protection and your ruling in these matters.

Mr. LAPOINTE: Surely nobody has a right to evade the rules of the House and to take the floor without authority to do so just because he has a question of privilege.

Mr. STEVENS: Yes, he has at any time.

Mr. CLARK: If I may speak to the matter, I would claim that I have the right, when an hon. gentleman suggests that I have said something I did not say, to rise and make a denial. I deny having stated or insinuated or suggested that these lands were purchased under the present government in a political way. I did not inject any political thought into this discussion. I thought the Minister of Finance was above suggesting such a thing as that.

Mr. ROBB: I was proceeding to say—and may I remind the committee that I never, directly or indirectly, mentioned the name of the hon. member for Burrard—I was dealing with the statement that these lands had been bought with the approval of the authorities of this government, a statement made by the last speaker.

Mr. McGIBBON: If, by inadvertence I used the expression "this government" I retract it. I did not mean to blame this government but rather this parliament. It was owing to the parliament of Canada, through the government of the Dominion, that these soldiers incurred these liabilities, and the government is responsible for the acts of its officials.

Mr. ROBB: I accept my hon. friend's retraction. Now let us go back and see when these lands were bought. They were bought in the years 1919 and 1920, and some of them a little later. It was said by some that they were valued by officials of the government. They were not valued by officials of the government, but by a representative board that was appointed. No doubt the members of that board were recommended to the government of the day by friends of the latter. They put a valuation upon these lands and they valued them too high. This govern-

ment was not responsible. This government, ever since 1922, has endeavoured to respond to the reasonable requests of the committee that looked carefully into the matter. This is the third attempt we have made to bring in legislation to correct the high prices paid for land at that time. If the legislation has been delayed it has not been delayed by the government of the day. The legislation may be improved, it may not be ideal, but it is an honest attempt on the part of the government to meet the wishes of the joint committee that made certain recommendations. It is all wrong to have the impression go out to the country that the land was bought by the government of the day at exorbitant prices. That is not the case. A great deal of the land was purchased at fair prices, at reasonable prices; indeed some of it was sold for more than the soldier settler paid for it. But there are a few districts—and I think I know something of the matter because I was in that department—throughout Canada where the land was bought at high prices. The price of the land was beyond its value, as it was not suitable for agriculture; it was unloaded on the poor settler to the advantage of some friends who were able, at the time, to get the ear of the government. I am not blaming the government. In a large country like this the government in Ottawa cannot be watching everything. Generally speaking, I repeat, the land was bought at a fair price, and I may say that as Minister of Finance I will watch pretty closely to see whether any attempt is made to reimburse some chaps who have made fairly good on the land. It seems to me that we would do well to let the resolution go through as it is. When the bill is presented, and we sit down in committee to consider it, if the measure should contain any errors we can correct them.

Mr. ERNST: If clause 1 stands with the word "present" deleted, is that the only change made in it?

Mr. FORKE: That suggestion was made but the word has not been deleted yet.

Mr. ERNST: Regarding what has been said here as to the resolution paving the way for the bill to be introduced, the bill will have to be framed in corkscrew fashion if it is to follow the wording of the resolution. If the minister takes the trouble to read clause 1, with the word "present" deleted he will find it is more meaningless than it was before, if that is possible. Clause 1, as the minister has noted, would read:

> That a settler whose land agreement with the board has not been terminated may make application for the revaluation of the said land, and that the depreciation to be determined shall be the diminution in the value of the land and the improvements sold to the settler, as compared with the price at which the settler agreed to purchase—

And so on. I admit that on the government side there are many able lawyers, but I do not think a Philadelphia lawyer could draft a bill to follow that resolution. I suggest to the minister that he redraft clauses 1 and 2. By means of a pencil I could make a far better draft than clause 1 is in its present form. I think it would be better if it were redrafted so as to read something like this:

> That a settler whose land agreement with the board has not been terminated may make application for revaluation of the said land. The said land and improvements shall be revalued and assessed, and the revaluation so arrived at shall date back to the date of the purchase or agreement and shall be deemed to be the original purchase price.

In that way you will get something explicit, but no satisfactory bill can be introduced upon the resolution in its present form.

Mr. LAPOINTE: May I say to my hon. friend that this House has pretty able officers, lawyers who have been appointed to look after that sort of thing. The bill passed the Senate last year, and would have been the law of the land to-day if there had not been such a speedy dissolution of parliament. Because when the bill came back to this House from the Senate, the then acting minister in charge of the measure asked the House to adopt it in the form in which it had carried in the Senate.

An hon. MEMBER: Who was the acting minister?

Mr. LAPOINTE: The hon. member for Fort William (Mr. Manion). So that the bill would have been the law to-day if the doors of parliament had not been closed on a certain afternoon in the month of July. The bill as it passed parliament last year has been taken charge of by the present Minister of Immigration. What he did was to send that very bill, which would have been a statute to-day if the occurrence referred to had not happened, to the officers of the House, who are men of experience. My hon. friend speaks of Philadelphia lawyers. Well, they are not American lawyers, they are not Boston nor Philadelphia lawyers, but they are good Canadian lawyers, as far as I can judge and they have prepared the present resolution on the bill sent to them by the Minister of Immigration. Surely we must have some confidence in our own officers; I do not think they have blundered in the way my hon. friend has suggested.

Mr. CARMICHAEL: I do not know whether I have absolute confidence in the officers or not, but most of us have been through at least part of the public schools and this language as it originally stood is certainly not good English.

Mr. LAPOINTE: That may be.

Mr. CARMICHAEL: The resolution as presented reads:

The diminution in the present value..... as compared with the price at which the settler agreed to purchase.

That is not good English, and if it is amended as the minister has proposed by leaving out the word "present", to read:

The diminution in the value....as compared with the price at which the settler agreed to purchase.

That is much worse, for this reason. The settler may have purchased the land in 1919 at a high price. In 1923 there was a great slump in prices in western Canada. The diminution would then be greatest; what time are we to take for the diminution? It seems to me that we could get around all this difficulty without redrafting the clause, if we changed one little word "in" to "to". Then it would read:

—shall be the diminution to the present value of the land and the improvements sold to the settlers, as compared with the price at which the settler agreed to purchase.

Mr. ERNST: In reply to the Minister of Justice I want to make only one thing clear, and that is that I was not criticising the bill as sent back by the Senate. I have not had an opportunity of seeing that. I was not in the House last year, although the fault was none of mine. I was criticising only the drafting of a resolution which, I understand, is a prelude to a bill. The resolution as it stands, or as amended by the minister, means nothing, can be a prelude to nothing. I am not criticising the legal talent of the government—

Mr. LAPOINTE: Not the government—of the House.

Mr. ERNST: I accept the correction. I am not criticising the legal talent of the House, but I am suggesting that not much of it was expended on drafting the resolution.

Mr. FORKE: The hon. member says that he did not see the bill as it came back from the Senate. I said some little time ago that the wording of the resolution is identical with the wording of the bill as it came back from the Senate.

The depreciation in value to be determined shall be the diminution in the present value of the land.

[Mr. Lapointe.]

That is the language of the bill as it came back from the Senate. Hon. members may realize that I have been taken by surprise in having so much difficulty with this resolution. The resolution was drafted in the terms of the bill as it passed the Senate and as it would have become law, as the Minister of Justice said. Now when it comes to this House it seems that it is a tremendous blunder. That may be correct, but I never anticipated any such difficulty. It seemed to me that the meaning was quite plain on the face of the resolution and I am sorry there should have been any trouble. I want to be as courteous as I can in replying to questions, and I hope hon. members will allow the resolution to pass. We shall have plenty of opportunity to discuss the bill in all its details.

In reference to what has been said about the Exchequer court, I admit that when I heard of that provision as coming from the Senate I thought the Exchequer court was rather a curious place to settle a difference that had arisen between the Soldier Settlement Board and the settler. But I was informed that the Exchequer court would simply appoint some other body, probably the county court judge or some outstanding man in the district who was familiar with the ground, to be the final arbitrator in the case. When it was put in that light it did not seem as ridiculous as it did at first sight. In any case that is the bill as it passed the Senate.

One idea I had in mind in introducing the bill in the form as proposed was this. I may be all wrong but I did it with the best intentions. Last year we threshed out all these questions that have been discussed tonight. We are all familiar with these arguments; we went over them last year, and we finally passed the bill. It went to the Senate; it passed the Senate in an amended form; it came back to this House and it would have passed here. I thought if we reintroduced the bill as it passed the Senate last year and as we were ready to accept it last year, it would be the Senate's own bill; the Senate would not reject it; it would go through the Senate; it would become law, and the soldier settlers would get some remedy in the near future. If we pass a bill again after amending it and making it entirely different, and if it goes to the Senate and they amend it again I am afraid of what will happen to the bill before it becomes law. With these explanations I hope that hon. members will understand the situation in regard to the bill. I am just as anxious as anyone that justice should be done to the soldier settler; but I am certain, no matter what bill we pass in this House, we shall

never be able to pass a bill that will meet all the cases and hardships that have occurred.

There is too common an impression in the House and perhaps in the country that all the soldier settlers have been working under disadvantages and have paid too much for their land. While I have been only a few months in this department, I have found quite a number of cases where, after the soldier settler has left the land, it has been sold at a much higher price than he originally paid for it. Therefore in those cases they could not have paid too high a price. I shall be able to show at a later date, if I have an opportunity, as I probably will, that the big majority of our soldier settlers, instead of being failures, have done exceedingly well. Large numbers of them have done well and perhaps as big a percentage of our soldier settlers have done well as other classes of the population who took farming at the same time. We take too gloomy a view of the soldier settler cases as a whole, although the Minister of the Interior or someone else who spoke to-night said that in certain cases in some districts soldier settlers were taken advantage of and something ought to be done for them. I hope the committee will allow this resolution to pass. We shall have ample opportunity to discuss the matter when the bill comes before the House, and any improvements to be made can be made at that time. I will withdraw the amendment to leave out the word "present".

Mr. GUTHRIE: It was carried.

The CHAIRMAN: I must inform the minister I understood the motion was carried.

Mr. FORKE: No.

Mr. MILLAR: I have an amendment that I would like to offer. This is the whole clause as I would propose to amend it:

That a settler whose land agreement with the board has not been terminated may make application for the revaluation of the said land, and that the depreciation to be determined shall be the difference between the price at which the settler agreed to purchase the said land and improvements from the board and the present value.

Mr. FORKE: I discussed this matter to-night with a high official in the Soldier Settlement Board and I was told that when the original draft was made the law officers of the crown changed the word from "difference" to "diminution."

Mr. DUNNING: We have too many lawyers about it.

Mr. LAPOINTE: They claim in the Senate that they have the best legal talent, and this is their own drafting.

Mr. ERNST: The minister rather insinuated that the purpose of my remarks was delay. I can assure him that I have every sympathy with the merits of the measure he is proposing, and my only purpose in saying anything about it is to ensure that the measure when finally passed will not prove a burden rather than a help. It would be bad enough for the soldier to have to go to the Exchequer court to have his land valued, without having to have the Exchequer court and perhaps the Supreme court interpret the statute. There is one rather peculiar thing about the minister that has struck me, and that is his peculiar veneration for the Senate since the beginning of the present session.

Mr. DUNNING: There have been remarks, Mr. Chairman, about the past history of this measure, and I thought it worth while to get the facts. We are all relying on our memories in connection with a rather hectic period last summer. I find that the then acting Minister of Soldiers' Civil Re-establishment in the person of the present member for Fort William, introduced this measure on its being returned amended from the Senate, and Hansard of last session very clearly sets out what was the attitude of hon. gentlemen opposite, who then composed what has since been described as the "shadow government", towards this principle of permitting the Exchequer court to be the deciding factor, and also towards the general principles of this legislation. It is interesting to note that the concluding exercises in connection with this particular measure last session consisted of a further effort on the part of the Acting Minister of Soldiers' Civil Re-establishment to get the House to pass the bill as it came from the Senate, and he was met with the objection by my right hon. leader that we on our side of the House had not yet had time to consider fully the changes proposed by the Senate, and we asked for time, at least until after the six o'clock recess, to look into the proposed changes. It is interesting to note that this matter never came up again. Other very important matters came up. Now, Mr. Chairman, we on this side of the House have had time to consider the effect of the changes proposed last year by my hon. friends opposite, and we now come here and say we agree. Coming here in a spirit of agreement, we now find our hon. friends opposite have changed their minds again, and they want something different.

So far as the Exchequer court is concerned, if it were to be used as a court in the city of Ottawa to adjudicate on the value of soldier settler lands, of course that would be an

expensive and impossible procedure for the soldier to take. But my understanding is, and this was the explanation made a year ago with regard to it, that it is possible for the Exchequer court to name individual officers of the court in various parts of the country to act for them in adjudicating matters of this kind, and it was on that assurance from my hon. friends opposite that I was willing last year to accept the Exchequer court.

Mr. CLARK: Will the minister read that clause? That is what we have been trying to get information about, but all we get is, as somebody says, a scolding from the Minister of Railways and the Minister of Finance. All we want is information. Perhaps the minister will read that clause. It may be an admirable one that we would be willing to accept, but at the present time we do not know what it is.

Mr. DUNNING: I have not the particular clause before me. I simply have the information that last year one of my hon. friend's leaders, with whom he was perfectly satisfied, a colleague at that time of the hon. member for Vancouver Centre and the then leader of the Conservative party, a member of the government so-called at that time, considered this matter with his colleagues, and they reached the conclusion that the legislation which we now put before the House was the proper thing. We came here expecting to meet hon. members opposite in a spirit of goodwill on this matter, because we were offering to the House precisely what they themselves offered after the bill had been returned from the Senate.

Mr. CLARK: Why not give us the information if you are meeting us in a spirit of goodwill? We want to assist the passing of this legislation. We are the ones, I believe, who want this legislation, and I begin to question whether my hon. friend the minister wants it at all. Otherwise he would be courteous and frank enough to give this side of the House the information when it is courteously requested.

Mr. McGIBBON: This seems to be a remarkable exhibition on the part of the government. They come here with a resolution for which they are certainly responsible, no matter what its origin may be. We ask for information, and there is nobody on the government side that can give it. The Minister of Justice gets up and says that the law officers of the crown drafted it, and therefore it must be right.

[Mr. Dunning.]

Mr. LAPOINTE: You accepted it last year.

Mr. McGIBBON: The Minister of Railways gets up and says that the hon. member for Fort William, who was at one time Acting Minister of Soldiers' Civil Re-establishment, accepted it, and therefore it must be right. Some other member gets up and says that this is a product of the Senate, and therefore it must be right. But not a single member on the government benches can get up and argue the resolution on its merits, and they ask this House to accept a resolution that they do not know the meaning of themselves. It is a ridiculous exhibition.

Mr. LAPOINTE: You are repudiating your own child.

Mr. IRVINE: I do not rise to offer any suggestion to the law officers of the crown as to how to draft this resolution, nor am I particularly impressed with the argument of the Minister of Railways that because he has proved that another government introduced a measure equally innocuous, we ought to let this one go through as it is. I wish to pass on to the minister in charge of this resolution suggestions which were made to me by the soldiers who are on land under the Soldier Settlement Board in my own riding. I understand that the purpose of the resolution is to give an opportunity to discuss the principles which will be at a later date embodied in the bill to be presented to parliament, and therefore I presume that what I have to say will be in order, as it deals with the principle of the bill.

I assume that it is the intention of the government in bringing in this legislation to give immediate and effective relief to the soldier settlers. The soldier settlers at the present time are rather afraid that the process of arriving at a revaluation is going to be so cumbersome and so difficult to attain, and perhaps so expensive, as to nullify the beneficial effects of the legislation, and accordingly many soldier settlers are of the opinion that it would be better not to attempt revaluation as it is suggested in this resolution and as was provided for in the bill of last year, but rather to make to all soldier settlers now on the land, a flat percentage reduction in the purchase price. It is not my intention to argue that now, I merely pass the suggestion on to the minister in the hope that he will give it consideration before he finally drafts the bill. I think it is clear that no legislation can possibly meet every case. It will be absolutely impossible under any proposal to give relief to everybody, but if we

have a bill which provides for a very difficult process of revaluation, it may be that many who could get relief under the simple proposal of the soldiers to have a flat percentage reduction will not get any relief at all. I offer this suggestion to the minister, and I hope that he will give it his serious consideration when he prepares the legislation which is to be based on the resolution before the committee.

Mr. COOTE: I take it for granted—and if I am taking too much for granted I hope the Minister of Immigration and Colonization will say so—that the bill will be brought down and introduced in the same spirit as it was presented a year ago; that is, that the minister is willing to consider any changes which members of the House may suggest when they have the bill before them. At the present time I am very much concerned with reference to the proposal to accept the amendment which the Senate proposed last year, of having the valuation in some cases referred to the Exchequer court. Many soldier settlers feel that their cases are practically hopeless if they have to go to such a body as the Exchequer court of Canada, situated, as they are, two thousand miles from Ottawa. The hon. member from Dauphin made a splendid suggestion—and I hope the minister will accept it—that when the bill comes down it be sent to a special committee, or one of the select committees of the House which is capable of dealing with the bill in a satisfactory manner.

Mr. STEWART (Edmonton): It would be regrettable if in the matter of legislation regarding soldiers the government should take the position that they would not consider any suggested changes. That was not our attitude last year, nor the attitude of any party in this House; but rather that the House should endeavour to reconcile the differences as nearly as they could with respect to this particular measure and enact legislation that would be mutually beneficial, or beneficial to the soldiers themselves. I want to assure hon. members opposite that the same consideration will be given to suggestions as has been given heretofore. I can quite understand the difficulty that my hon. friend experiences. This revaluation is long overdue, and many men have been forced to leave their land who, if the revaluation had taken place two years ago, would now be farming on it. We want at this session of parliament to pass a bill that will provide for a revaluation of the land and play fair with the men still on the land. I think we can surely approach this question in that spirit. I can foresee that a lot of argument made last year is going to be introduced again this year, but there is no harm in that. That is what this body is for. I hope the outcome will be that the suggestions made will be beneficial to the soldiers and that we will enact a measure that will be of real value to the men who are fighting their way along on land that was valued too high, or sold to them at a high price. Do not forget that many of these men were fortunate in their selections and that their land is now worth more than when they purchased it. I say that to show how impossible the suggestion made by the hon. member for Wetaskiwin would be. We have gone over all that, and when hon. members know the circumstances surrounding these cases they will realize that some of these suggestions would not be beneficial. As one member of the government I hope the discussion will continue in the way it has hitherto been conducted in connection with soldier settlement matters and that we will arrive at a proper conclusion.

Mr. BELL (Hamilton): A few minutes ago the Minister of Railways told the House that according to Hansard of last year the hon. member from Fort William had asked the House to adopt the bill as it came back from the Senate with the proviso that appeal should be made to the Exchequer court. I do not think the minister stated in what portion of Hansard that reference is to be found. Would he give us the reference to the date and the page of Hansard, which I happen to have before me? If he is correct, the advantage is all with him, and if he is incorrect I should like to know it, and I should like the House to know it.

Mr. DUNNING: In the last volume of Hansard it is shown that on two occasions the present member for Fort William presented the bill as it came from the Senate. I wanted it to be quite clear that it came from the Senate with the Exchequer court provision in it, and the hon. member for Fort William, then Acting Minister of Soldier's Civil Re-establishment, presented it to the House in that form. If my hon. friend has Hansard before him he will see that on the first occasion the hon. member from Fort William indicated that he had not had sufficient time clearly to grasp the matter himself, or something to that effect.

Mr. BELL (Hamilton): Will the minister be good enough to give me the reference?

Mr. DUNNING: I sent it back; it is not before me now. But I can find it if my hon. friend will lend me the Hansard.

Mr. BELL (Hamilton): I will not only lend it to the hon. member, but I will give it.

Mr. FORKE: I have the exact wording as it came from the Senate.

Mr. BELL (Hamilton): What page of Hansard?

Mr. FORKE: This is the bill as it came from the Senate.

Mr. BELL (Hamilton): But where does it appear in Hansard?

Mr. FORKE: The section reads:

—and if any applicant is dissatisfied with the decision of the board he may, within such time as is prescribed by regulations made by the Governor in Council, appeal to the Exchequer court of Canada and the decision of that court shall be final.

Further on the bill states:

The Governor in Council may make such regulations as he deems fit for the procedure in appeals to the Exchequer court under this section, and may by such regulations modify or dispense with any provisions as to procedure in the Exchequer Court Act or in the rules of practice of that court.

Mr. CLARK: Will the minister read the clause which permits the Exchequer court to delegate its powers to any other court?

Mr. FORKE: I will tell the House again what I stated before with reference to referring the matter to the Exchequer court. As a layman I thought it was ridiculous, but it was explained to me that it was not necessary that the applicant should come to Ottawa, or that the judges of Exchequer court should try the case; that they could delegate the case to someone in the locality where the difficulty arose. It is not so absurd, therefore, as appears on the face of it.

Mr. CLARK: I cannot see the provision in the clause the minister read which empowers the Exchequer court to delegate its powers to anyone else.

Mr. FORKE: I was informed by a lawyer to that effect—that that was what the court had power to do. Maybe I am wrong, I am not a lawyer at all.

The CHAIRMAN: There seems to be some misunderstanding in the committee as to whether or not the motion made by the hon. minister was carried. It was my understanding that it was carried and I so marked it, but with unanimous consent it can be rescinded. I would point out that the motion of the hon. member for Qu'Appelle cannot be entertained unless the previous motion is rescinded, because the motion made by the hon. member for Qu'Appelle goes back beyond the word "present," as it appears in the resolution, and paragraph 336 of rule 36 of Beauchesne's Parliamentary Rules and Forms states:

After a decision has been given on an amendment to any part of a question, an earlier part cannot be amended.

Consequently it is necessary, in order to consider the amendment moved by the hon. member for Qu'Appelle, that the motion to strike out the word "present" be rescinded. Is it the unanimous consent of the committee that the motion be rescinded?

Some hon. MEMBERS: Carried.

The CHAIRMAN: Then the motion moved by the hon. member for Qu'Appelle would be in order. It is to this effect:

That in the third line after the words "shall be the" the words "diminution in" be deleted, and the following words inserted, "difference between the price at which the settler agreed to purchase the said land and improvements from the board and"—

The remainder of the clause following the words "present value" will be deleted.

Mr. GUTHRIE: Mr. Chairman, may I rise to a point of order? This resolution has been submitted in its printed form to His Excellency the Governor General and has received his approval. Can a private member by a motion change the language of such a resolution without its being re-submitted to His Excellency?

Mr. STEWART (Edmonton): Mr. Chairman, I think the hon. leader of the opposition is perfectly right in his contention. I would suggest that inasmuch as dozens of amendments to this bill will be submitted when it is in committee, the committee accept the resolution, much as they seem to question its wording. This is a contentious bill, and I defy any member to introduce a bill of this character that will be entirely satisfactory and that will not be the subject of many amendments. That has been my experience in the four years that I have been trying to put through similar legislation. The adoption of my suggestion would create no precedent; such a course has been taken heretofore.

Mr. GUTHRIE: Mr. Chairman, in order to show our entire goodwill to the new Minister of Immigration and Colonization, and to help the government out of an apparent dilemma, we agree to the suggestion made by my hon. friend.

Resolution reported, read the second time and concurred in. Mr. Forke thereupon moved for leave to introduce Bill No. 61, to amend the Soldier Settlement Act, 1919.

Motion agreed to and bill read the first time.

LONG TERM FARM LOANS

Hon. J. A. ROBB (Minister of Finance) moved that the House go into committee to consider the following proposed resolution:

Resolved,—1. That there shall be a board known as the Canadian Farm Loan Board which shall be a body politic and corporate consisting of four members, one of whom shall be the Minister of Finance and the other three shall be appointed by the governor in council and of the latter one shall be designated by the Canadian Farm Loan commissioners.

2. That the board shall issue farm loan bonds to make long term loans to farmers, and the government of Canada shall provide initial capital for the board to an amount not exceeding five million dollars and subscribe an amount of 5 per cent of the capital stock as loans are made by the board.

3. That the government of each province in which loans are made shall be required to subscribe to the capital stock of the board as loans are made in such province an amount equal to 5 per cent of the said loans and each borrower an amount of 5 per cent of his loan payable at the time the loan is made. The loans shall be made on the security of first mortgage on farm lands; the interest rate shall be such a rate in excess of the interest payable on the farm loan bonds as is sufficient to provide for the expenses of operation; the farm loan bonds shall be legal investments and may be purchased by the Minister of Finance provided that the amount of such bonds held by him shall not at any time exceed $15,000,000; and the amount of any payment by the government of Canada on account of capital of the board or as payment for farm loan bonds purchased shall be paid out of the consolidated revenue fund on the authority of the governor in council.

Motion agreed to and the House went into committee, Mr. Johnston in the chair.

Mr. STEVENS: Would the minister be kind enough to give us a brief explanation?

Mr. ROBB: The bill to be founded upon this resolution will be submitted to the House in identically the same form that it left the House to go to the Senate last session.

Resolution reported, read the second time and concurred in. Mr. Robb thereupon moved for leave to introduce Bill No. 62, for the purpose of establishing in Canada a system of long term mortgage credit for farmers.

Motion agreed to and bill read the first time.

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

Monday, February 14, 1927

The House met at three o'clock.

NATURAL RESOURCES OF PRAIRIE PROVINCES

PETITION PRESENTED BY HON. MR. EDWARDS

Hon. J. W. EDWARDS (Frontenac-Addington): I have the honour to present petitions signed by some 370 electors in British Columbia, Manitoba, New Brunswick and Ontario, asking for the transfer to the prairie provinces of their natural resources without restrictions; also other petitions signed by 2,700 electors of Alberta and by some 3,000 from Saskatchewan.

CROWN PAVING AND CONSTRUCTION COMPANY

Hon. JAMES MALCOLM (Minister of Trade and Commerce): In conformity with the request of the hon. member for Vancouver Centre (Mr. Stevens) last Tuesday, I lay on the table correspondence respecting payments made to the Crown Paving and Construction Company, Limited, in connection with the construction of the government grain elevator at Edmonton, and orders in council in relation thereto.

SALVATION ARMY IMMIGRATION WORK

On the Orders of the Day.

Mr. H. C. HOCKEN (Toronto West Centre): I am prompted by what I read in the newspapers to ask the Minister of Immigration what is his attitude towards the Salvation Army with regard to its immigration work.

Hon. ROBERT FORKE (Minister of Immigration): That is a rather difficult question to answer. My attitude towards the Salvation Army with regard to its immigration work is the same as the attitude of the Immigration department towards all other organizations engaged in the same class of work.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

PUBLIC PURCHASING AND CONTRACTS

Mr. EVANS:

1. In regard to public purchasing and allotment of public contracts under federal government, what is the amount in dollars of purchases and contracts allotted: (a) total for year 1925-26, (b) total allotted under open competition, (c) total allotted departmentally, (d) total allotted under authority of the government contracts supervision committee?

2. In regard to the government contracts supervision committee, what is the present si-

tuation as to: (a) extent of establishment, (b) cost of establishment, (c) nature of duties performed?

Mr. SPEAKER: Dropped.

Mr. GARLAND (Bow River): I would like to point out to Your Honour that although this question stands under Mr. Evans' name on the order paper, it is really the resolution which should stand under my name, Mr. Evans' question having been dropped. There is, I think, a mistake in the printing.

Mr. MACKENZIE KING: This morning I directed the attention of one of the officers of the House to what appeared to be a mistake. Mr. Evans' question was dropped altogether and should be reinstated. I understand he intends to reinstate it. The name of the hon. gentleman who has just spoken should appear against the question next on the order paper.

Mr. GARLAND (Bow River): Will question No. 1 be called?

Mr. MACKENZIE KING: It will appear on the order paper to-morrow.

Mr. GARLAND (Bow River): But question No. 1 was declared to be dropped by the Speaker. Might I suggest it would be proper to call question No. 1 giving the name of Mr. Garland (Bow River)?

Mr. LAPOINTE: It would be better to let it stand under the name of the hon. member for Bow River.

Mr. SPEAKER: A similar question under the name of Mr. Garland (Bow River) was passed as an order for return last Thursday. Shall I still allow the question to stand?

Mr. GARLAND (Bow River): No. That is quite satisfactory.

Mr. SPEAKER: Well, it is dropped.

Some hon. MEMBERS: Oh, oh.

Mr. SPEAKER: I must explain to the hon. gentleman that it is dropped as a question on the order paper but it stands as an order for return. This means business.

Mr. GARLAND (Bow River): Quite so. I fully appreciate that the question is not dropped but stands as an order for return.

Mr. SPEAKER: Exactly.

CIVIL SERVICE SUPERANNUATION

Mr. CHEVRIER:

Did the Department of Justice pronounce upon the legality of a ruling of the Treasury board, dated the 17th December, 1926, reference No. T 118914 B, relating to the Civil Service superannuation of 1924, which provides for the confiscation of contributions in certain cases?

[Mr. Evans.]

Hon. Mr. ROBB:

No. The question of legality does not arise. The power conferred by section 10, subsection 3, is discretionary and Treasury board is competent to determine under what circumstances its power to recommend shall be exercised.

PILOTAGE FEES

Mr. DICKIE:

1. What are the pilotage fees paid by the Canadian Government Merchant Marine vessels operating into California ports?
2. What are the pilotage fees paid by the United States coasting vessels operating into British Columbia ports?

Hon. Mr. CARDIN:

1. According to information in the Department of Marine and Fisheries the maximum pilotage rate at San Francisco is $2 per foot draught and 2 cents per registered ton—both inwards and outwards.

2. The rate at New Westminster, B.C., is $1 per foot draught and one cent per registered ton—inwards and outwards.

Pilotage is not compulsory at the other ports in British Columbia where any fees charged for pilotage are determined by agreement between vessel owners and persons acting as pilots.

HASTINGS COUNTY GEOLOGICAL SURVEY

Mr. TUMMON:

1. When was the last geological survey made in Ontario covering the central part of Hastings county?
2. Has the report of the above mentioned survey ever been published?
3. If so, when?
4. If not, why?

Hon. Mr. STEWART:

1. An investigation of the fluorspar and talc deposits of Hastings county was commenced by the Geological Survey in 1920 and completed in 1925.

2. Yes.

3. A report on the fluorspar deposits of this district was published in the Geological Survey summary report, 1920, part D. The talc deposits of Hastings county are dealt with in the report on the "Talc Deposits of Canada" (No. 2 Economic Geology Series) published in 1926. A map and report on the general geology of the region are now being prepared.

CANADIAN MINISTER AT WASHINGTON

Mr. CHURCH:

1. Has the government decided to open a separate Canadian embassy at Washington, separate from the British embassy, and when

and at what estimated cost per annum for: (a) salaries; (b) maintenance; (c) capital or rent commitments?

2. What staff will be employed in this embassy?

3. Who is the ambassador appointed, for what term and salary and allowances and what is his title?

4. Will the embassy be opened before parliament has passed: (a) on the principle of such separate representation, or (b) funds voted in committee of supply for said office, and when will parliament have an opportunity of dealing with the matter?

5. What functions and duties will be performed by the said embassy and the British embassy re Canada?

6. Will the government lay on the table of the House all correspondence with the British and United States governments in the matter, or with other persons?

7. To what other foreign countries will ambassadors be appointed?

8. Will one be appointed to China to take care of Canadians and their property there in view of the trouble in the Far East?

Right Hon. Mr. MACKENZIE KING:

1. His Majesty has appointed a minister at Washington, with the special object of representing in the United States of America the interests of the Dominion of Canada. The minister will present his credentials to the President of the United States on February 18. Provision for the expenses of the legation was made in the estimates of 1926-27, and further provision will be included in the estimates for 1927-28, which will shortly be laid before parliament.

2. The staff will probably consist of two first secretaries, a commercial secretary, a private secretary, and four clerks and stenographers.

3. Hon. Vincent Massey has been appointed as minister, during His Majesty's pleasure. His salary will be $12,000 a year; house and representation allowance has not yet been definitely set. His title is "His Britannic Majesty's Envoy Extraordinary and Minister Plenipotentiary at Washington to represent the interests of the Dominion of Canada," or briefly, "the Canadian minister to the United States."

4. No. Parliament has repeatedly considered the principle of special Canadian representation in the United States. On May 10, 1920, the Acting Prime Minister, Sir George Foster, announced in the House of Commons that "as a result of recent discussion an arrangement has been concluded between the British and Canadian governments to provide more complete representation of Canadian interests than has hitherto existed." On April 21, 1921, in committee of supply, during a discussion of an appropriation for Canadian representation in the United States, Sir Robert Borden gave a comprehensive survey of the development of opinion and policy on this question from 1870 to 1921. Provision for the expenses of such Canadian representation has been included in the estimates each year since and including 1919-20, and approved in all cases by parliament.

5. The minister will be charged with the duty of advancing the interests of Canada in the United States and will serve as the ordinary channel of communication with the United States government.

6. A notice of motion has already been given calling for a return of certain documents and correspondence in connection with the appointment of the minister.

7. No other appointments of ministers are under consideration at the present time.

8. Answered under No. 7.

LONDON RADIO INSPECTOR

Mr. WHITE (London):

1. Is it the intention of the government to appoint a radio inspector for London, Ontario, and vicinity?

2. If so, when is the appointment likely to be made?

Hon. Mr. CARDIN:

1. Yes. For London and district.

2. In the immediate future.

ADVANCES TO CANADIAN BANKS

Mr. IRVINE:

1. Does the Finance minister make advances on securities to the Canadian banks at the present time as was the practice under the supplement to the Finance Act of 1914?

2. If so, is it to be understood that the section of the Finance Act of 1914 which made provision for giving advances on securities to the banks, is still acted upon?

Hon. Mr. ROBB: Advances are now made under the Finance Act, 1923.

STANLEY BARRACKS FIRE

Mr. STEWART (Leeds):

1. Has the government been informed of a fire which occurred in the stables of Stanley barracks, in the present month?

2. Has any investigation been made as to the cause of the fire in which horses and equipment were lost?

3. What was the total loss by fire, (a) to the government; (b) to others?

4. To what extent, if any, is the loss covered by insurance?

5. What was the cause of the fire?

Hon. Mr. RALSTON:

1. Yes.

2. A court of inquiry is proceeding with the investigation.

3. Not yet established.
4. Nil.
5. Not yet established.

JUBILEE CELEBRATION OF CONFEDERATION

Mr. KAISER:

1. Does the government intend to appoint a committee to look after arrangements in connection with the jubilee celebration to be held in Ottawa during the coming summer?
2. If so, when will same be appointed and what will be its scope?

Right Hon. Mr. MACKENZIE KING: I might give a verbal answer to this question. The government has thought it advisable to follow with respect to the celebration of the diamond jubilee of confederation the plan that was adopted with respect to the Canadian patriotic fund, namely, to ask parliament to appoint a committee and to give that committee entire power to make all arrangements that are necessary in connection with the celebration. I have to-day given to the Clerk notice of a bill which will be presented to the House by resolution which will appear in to-day's Votes and Proceedings.

CANADIAN MINISTER AT WASHINGTON

MOTION FOR CORRESPONDENCE RESPECTING APPOINTMENT

Mr. C. H. CAHAN (St. Lawrence-St. George) moved for:

1. A copy of the royal commission and instructions, if any, issued by His Majesty the King to Honourable Vincent Massey as Minister Plenipotentiary to represent the interests of Canada in the United States;
2. A copy of each and every order in council passed by His Majesty the King in Council or by the Privy Council of Canada, requesting, authorizing or approving of the said appointment of the Honourable Vincent Massey as such Minister Plenipotentiary;
3. A copy of all correspondence between the Prime Minister of Canada or any minister of the government of Canada, with the Prime Minister of Great Britain or any minister or department of the government of Great Britain relating to the said appointment of the Honourable Vincent Massey as such Minister Plenipotentiary;
4. A copy of any instructions issued by the government of Canada to the said Minister Plenipotentiary.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I can see no objection to the motion carrying provided it is understood that wherever reference is made either to His Majesty the King in Council or to the Prime Minister of Great Britain, or the minister of any department of the government of Great Britain, the consent of either His Majesty in Council or of the minister concerned will be had in the first instance.

Mr. CAHAN: That is quite satisfactory, Mr. Speaker, if in the meantime, in order to assist us in our subsequent discussions when we come to take up the report of the Imperial conference, we might have such documents produced as are within the possession and at the disposal of the government of the Prime Minister of this country.

Mr. MACKENZIE KING: I shall be very pleased to see that my hon. friend's wishes in that particular are met. I think so far as our government is concerned, we can bring down immediately all the papers and I shall try and have them placed on the table to-morrow.

I might mention that I doubt very much if there is any order in council passed by His Majesty in Council, and I doubt if there has been any correspondence with the ministers in Great Britain, so I presume the return asked for will be virtually complete when we bring down our return.

I might mention, too, if my hon. friend will allow me, as he has asked for a copy of the royal commission and instructions, if any, issued by His Majesty the King, that in the case of an appointment of a minister His Majesty issues letters of credence, in this case the letter of credence is from His Majesty to the President of the United States, Mr. Coolidge. There is no commission. With my hon. friend's consent I will bring down a copy of the letter of credence that has been issued.

Motion agreed to.

APPOINTMENT OF GOVERNOR GENERAL

MOTION FOR CORRESPONDENCE

Mr. C. H. CAHAN (St. Lawrence-St. George) moved for:

1. A copy of the royal commission and instructions issued by His Majesty the King to His Excellency Lord Willingdon, as Governor General of Canada;
2. A copy of each and every order in council passed by His Majesty in Council or by the Privy Council of Canada requesting, authorizing or approving the said appointment of His Excellency Lord Willingdon as Governor General of Canada and the issue of said commission and said instructions.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Perhaps I should say to my hon. friend what I said with respect to the previous motion. This motion refers to a copy of the orders in council passed by His Majesty in Council. The consent of the British government to the

production of any such would have to be obtained. I will see that inquiry is made at once.

I should add that inasmuch as this motion relates to a commission issued to His Excellency the present Governor General, I think my hon. friend will agree with me that, as a matter of courtesy, we might obtain His Excellency's consent as well.

Motion agreed to.

DISSOLUTION OF LATE PARLIAMENT

MOTION FOR CORRESPONDENCE

Mr. C. H. CAHAN (St. Lawrence-St. George) moved for:

A copy of all correspondence between the Right Honourable W. L. Mackenzie King, then Prime Minister, and His Excellency the Governor General, Lord Byng, during the months of May and June last, relating directly or indirectly to dissolution of parliament on the advice of the said Prime Minister who then held office, the refusal of His Excellency the Governor General to grant such dissolution on the advice of said Prime Minister, and the subsequent resignations of said Prime Minister and the members of his ministry from the offices held by them respectively.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, when this matter was mentioned the other day by the hon. leader of the opposition, I pointed out that I would not wish to lay the correspondence on the table without the consent of Lord Byng. I immediately cabled to Lord Byng, and I have Lord Byng's consent in the matter of taking full liberty of action with respect to the correspondence. I just wish to repeat what I previously said when the correspondence was asked for by the leader of the opposition. I have no desire personally, nor has the government any desire, to reopen an incident which has been closed, we think very satisfactorily, but which may be reopened in a discussion of this correspondence. If it is laid on the table of the House, as I am prepared to do immediately, it is being laid on the table because the opposition desire that this should be done. I consent to the order being carried, Mr. Speaker, and beg leave to table the correspondence immediately.

Motion agreed to, and correspondence tabled.

PEACE RIVER RAILWAY OUTLET

Mr. D. M. KENNEDY (Peace River) moved:

That, in the opinion of this House, the time has arrived for the commencement forthwith and the completion in the near future of a direct railway outlet from the Peace river country to the Pacific coast.

He said: It is not my intention, Mr. Speaker, to detain the House at any great length on the subject matter of this motion, because it has been before the House, though not in this particular form, for the last four or five years.

The Peace river country lies in the provinces of British Columbia and Alberta, just east of the Rockies, and from four to seven hundred miles north of the international boundary. There is settled in that district approximately two million acres of land—two million acres of land as easily developed as any part of the prairie provinces, and with just as great possibilities as any other portion of like acreage anywhere within those provinces. It has been said that a great deal of this land is covered with bush. While there is a large part of the country covered with light brush, that is not true of the two million acres that is already settled. Approximately eighty per cent of this is simply covered with light bluffs and they are not in any sense a real detriment to the development of the country. That country is chiefly a farming country so far. We have, of course, the fishing industry. In Lesser Slave lake they have taken out as much as 1,200,000 pounds per annum. That quantity was reduced some years ago to one-half of that amount, because it was felt that 1,200,000 pounds annually was a little too heavy for the production of the lake. We have the lumbering industry, and there is a tremendous amount of timber. It has been estimated that in some districts not very far from Grande Prairie the amount of timber runs up into the billions of feet. It has been remarked by visitors who came into the country in 1910, when the rush of settlement started in that district, and by those who came in in later years after the war, that there was more permanent development in the Peace river country during that period than possibly in any other section of the prairie provinces in the same length of time. This is partly accounted for by the fact that there is timber in the country and it provides cheap material to build homes. It is also accounted for by the fact that a country where the land is rich and where there is a reasonable number of trees tends to encourage people to develop homes, rather than to make them merely speculators who prove up, then sell their lands and go elsewhere.

It has been said by a large number of people who have studied immigration and the settlement of the country that there are always three classes of settlers, first, the homesteader, then the man who buys from the homesteader and develops the land and lastly, the farmer.

So far as the Peace river country is concerned that is not so. After the war, of course, we had deflation. In the years 1922 and 1924 we had dry seasons. These two factors made for us possibly as difficult times as any part of the country ever had, and a large number of people left the country, but in only very few cases did the original pioneers leave. They are practically all there still. It is not surprising, possibly, in view of the fact that most of them went into the country over a trail three hundred miles long, which was jokingly referred to once by an Irishman as a "mud canal". We think most of the settlers who would have proved inefficient as actual settlers did not get to the country at all. We have a population there to-day of approximately 20,000. The main industry, of course, is farming. We are located an average distance of about 1,600 miles from the head of the lakes. We are located geographically within 800 miles of the Pacific ports, but in order to get to the Pacific ports we have to travel by railway a distance of 1,200 or 1,300 miles. There has been a rather intensive agitation for a direct connection with the Pacific coast during the last five years. That agitation has had some effect. We have received a great deal of support from the newspapers, and may I say that we have received very excellent support from the Southam press last year, Mr. Southam and some of his editors took a trip up through the Peace river country and gave us some very excellent publicity.

The country is served by the Edmonton, Dunvegan and British Columbia railway, which runs northwest for a distance of 300 or 400 miles into the Peace river country. Up until November 1926 the Edmonton, Dunvegan and British Columbia was operated by the Canadian Pacific Railway. In November 1926 it was taken over by the provincial government and is now operated by the provincial government through its Department of Railways and in close association or affiliation with the Canadian National Railways. The Canadian National is the railway which can give us proper connection with the Pacific coast, because they can give us the direct connection that we ask for by the construction of approximately 168 miles up to 200 miles. I know that is the minimum mileage. But the country is well served to-day, or would be, with the construction of say another 100 miles of construction by branch railways. That is the settled portion of it, and if we had in addition to that a direct connection with the coast we would have a loop or semi-circle formed by the road running northwest from Edmonton and that running southwest to the British Columbia coast. I have said that this agitation has been carried on for four or five years and we have heard declarations made by public men in the west regarding this Peace river outlet. It has been the chief plank in the platform of both Liberal and Conservative candidates in the Peace river constituency in the last two elections. We have had statements regarding the Peace river railway from the Prime Minister in the city of Edmonton, as well as from Mr. Meighen when he was leader of the opposition. I have here the statement made by the Right Hon. Mackenzie King in Edmonton and reported in the Edmonton Bulletin on November 11th, 1924, and I quote the following:

King pledges self to the Peace river cause.

These are merely headings.

Premier promises outlet to Pacific;
Just as soon as humanly possible.
Railway will be built, declares Prime Minister, at mass meeting here.
Government has but minority in Commons; says times are now difficult and everybody must have a little patience, but Liberal party is not falling down on any of its pledges.

Here is the direct quotation:

"It is the policy of the government of which I have the honour to be the head to introduce a vigorous policy of immigration which will people the vast areas of undeveloped country in the great west," declared the Right Hon. W. L. Mackenzie King, Premier of Canada, when addressing mass meeting of citizens in the First Presbyterian church last night.

Mr. CAHAN: What is the date?

Mr. KENNEDY: October 11th, 1924, at the First Presbyterian church in Edmonton. The quotation continues:

There is to the north of this city a great tract of land that is crying out for development. The Peace river country is amongst the richest in Canada, but before the proper development of that country can take place an outlet to the Pacific coast is an absolute necessity. I pledge myself that as soon as it is humanly possible the great Peace river country will be given that measure of railway relief that will bring to the pioneers of that country the outlet they have been so long denied and will open up the country for prospective settlers. I must, however, sound the same note to you here as I did to the citizens of Saskatoon. The times that we are passing through are very difficult, and I would ask you to have a little patience and in as short a time as possible a railway outlet will be provided for Peace river and northern Alberta districts that will open up an era of prosperity for that country which will not be equalled by any other province in Canada.

A "little patience" in 1924 and the railway would be built "as soon as humanly possible". That is a very sweeping statement and I think I am safe in saying that the terms of my

motion are strictly within the terms of this pledge given by the right hon. Prime Minister at Edmonton in 1924.

Mr. Meighen made a trip west and he also said something regarding the Peace river outlet. This quotation is from Mr. Meighen's speech delivered at Edmonton October 1, 1925, and is taken from the literature of the Conservative candidate, in 1925, Mr. Collins:

I have always urged that the north country should have railway relief. I cannot be accused of making futile promises such as the Hon. Mackenzie King promised in the speech from the throne at the opening of the last session of parliament when he stated that he was going to give railway relief to the north country, and nothing has been done. This great question has been sidetracked by Senate reform, which subject has been discussed for forty years.

I may say that on the strength of that statement Mr. Collins, promised, not one outlet but two—one east of the mountains and one west. The Liberal candidate in 1926 —and I am sure the Minister of the Interior (Mr. Stewart) will recognize his picture— said this:

Pacific Coast Outlet: I consider this is the only solution for the financial difficulties of the people of the northern part of this riding, and I will do my utmost to get some definite action on it if elected. . . . For years the Peace river country has suffered the iniquity of oppressive freight rates and lack of transportation facilities. For years the northern people have valiantly tolerated these conditions and have fought with great tenacity for their removal. In a measure they have been successful, but much yet remains to be done. The coast connection alone stands between the Peace river people and wholesale prosperity.

An hon. MEMBER: What did you do yourself?

Mr. KENNEDY: (continuing reading):

At this election your vote will decide whether that measure of prosperity will accrue to you now or never in this generation. Weigh these bald facts, Mr. Voter. Do not lose sight of the fact that if we secure a coast connection it will be the Canadian National that will furnish it. Do not lose sight of the fact that Mackenzie King appointed Sir Henry Thornton, and that the Liberal government's courageous policy of national ownership has revealed a most astounding success.

What about myself, the hon. member asks. Neither in 1925 nor in 1926 did I promise more than I am doing at the present time. I stated that I was quite satisfied with the Right Hon. Mackenzie King's declaration of 1924, and would do my best to see that he lived up to it. That is my purpose in bringing forward this resolution.

It is fair, I think, to state that the federal government settled the Peace river country. A lot of people have asked why we were foolish enough to go back three hundred miles from a railway. Well, at that time the lands were thrown open by the Dominion government, that is, in 1910, 1911 and 1912. Both Liberal and Conservative governments helped to settle that country. The ministers of the interior under those respective governments were the Hon. Frank Oliver and the Hon. Robert Rogers. There was a survey made of the Canadian Northern railway that ran northwest from Edmonton and right through Grande Prairie, across the mountains and out somewhere to the Pacific coast. I myself saw men in 1912 buying right-of-way in Grande Prairie, and they said three years was the limit we would have to wait for a railway.

So far as I am aware the entire expenditures of the federal government towards supplying that country with railway facilities is a grant of $5,000 a mile in connection with the line running from Spirit river down to Grande Prairie, a distance of some 50 or 60 miles, representing approximately $300,000. The provincial government has spent in the neighbourhood of $19,000,000 in providing railway facilities for that country. The federal government saddled the province with the responsibility, and I think it is up to the federal government to assume some further obligation with regard to the continued development of the Peace river district. The railways in the province of Alberta run northwest almost to the boundary of the province, and the only railway facilities the settlers have on the British Columbia side is the Edmonton, Dunvegan and British Columbia railway. The Alberta government cannot be expected to build railways through British Columbia. In addition to the grant of $300,000 that I have mentioned—that is not the exact sum, but it is approximately correct —the federal government voted $50,000 in 1923 for a survey of the various routes from the Peace river country to the Pacific coast, and in 1924 it voted an additional $75,000.

In 1925 we had tabled in this House the joint report of the Canadian National and the Canadian Pacific engineers who were sent out to make a survey of the country in order to ascertain what would be the most economical route to build and operate, particularly with the view of avoiding duplication. That joint report is somewhat canny and careful in its recommendations, but its authors go so far as to admit that the railway is justified. Unquestionably there is enough territory there to justify these transportation facilities. There is a rich territory to be served, and it will be a revenue producer to the Canadian National Railway system. Indeed I do not know of

any better revenue producing territory for the Canadian National main line running from Edmonton to Prince Rupert than the Peace river country. In 1914 the first car of wheat was shipped from the north side of the Peace river. The wheat was grown in my own district. In 1921 about two and a half million bushels of grain were shipped out; in 1923 about three and a half million bushels; in 1926 it is estimated that about six million bushels have been hauled out. In addition to that the wheat is generally of very high quality. If there was ever any doubt at all about the possibilities of Peace River, it was surely dissipated last year, because Herman Trelle at Wembley near the present terminus of the Edmonton-Dunvegan railway, captured the sweepstakes at Chicago in both wheat and oats, this being the first occasion on which one farmer has ever done that in the history of that grain show. This is the second time that Peace River has secured the sweepstakes in wheat, the first occasion being in 1883 when wheat from a district north of Peace River won the first prize at a fair in Philadelphia.

There is an interesting report by Mr. Macoun, published in Ottawa on December 15, 1903, illustrating how pessimistic people can be sometimes regarding the future possibilities of a country. This gentleman was sent to make a survey of the Peace river district, and the impression he conveys in this article is shared, I think, by many people throughout Canada even to-day. Many people still have the same feeling regarding the Peace river country. It is so far away, so near the north pole that there must be something wrong with it. This report was not distributed. I believe it was suppressed by the minister of that day, and it was well that it was because it has been shown to be entirely wrong. This is what he said:

> While the country that has been described should, in the opinion of the writer, not be settled by either the rancher or the grower of wheat until there is more satisfactory evidence that it is suited for either of these pursuits, it may be safely prophesied that after railways have been built there will be only a very small part of it that will not afford homes for hardy northern people, who never having had much will be satisfied with little. It is emphatically a poor man's country, a country where any hard-working man may, in a few years, gather around him a few head of stock—horses, cattle and hogs—where he will be able to grow vegetables and in most years barley and oats and sometimes even wheat. But it will be many years before anything can be grown for export, even with good transport facilities. The building of the railway will lead to the development of the mines in northern British Columbia, and these mines will afford a market for beef and pork at least; but until there is some such market, cash will be very scarce. During the construction of the Grand Trunk Pacific railway, there will of course be a ready market for any produce grown near the route it will follow, but such a market cannot last more than a year or two and the demand for food products will cease when the road is completed.

I have often thought of that statement when reading the engineers' report, and I will refer to it a little later. I have already said that we have 2,000,000 acres of settled land in the Peace river country, of which 150,000 acres are under cultivation. This year we have produced about 6,000,000 bushels of grain for export. The province of Alberta has about 29,000,000 acres settled, and in 1924 there were about ten or eleven million acres under cultivation, from which the province produced something like 131,000,000 bushels of grain, about half of that being wheat. I have said before that the 2,000,000 acres settled in the Peace river country can be developed just as easily as the 29,000,000 acres settled in Alberta, if not more easily, and with a reasonable and steady price for wheat, if the wheat pool lasts, you will see a wonderful development in that part of the Dominion.

The engineers' report goes on to state that we should wait until there is sufficient tonnage in the Peace river country to justify the railway. Well, there never would have been a railway built in Canada—at least, few would have been built—if we had always taken that attitude towards railway construction. Certainly the Canadian Pacific was not built under any such restriction, nor was the Grand Trunk Pacific nor the Canadian Northern. The fact is that settlement and railway development must proceed together if we are to have a healthy and reasonable development of the country. It has often been said that a large program of railway construction has led us into great difficulties. It was not the railway construction but the wrong location of the railways, and extravagance in connection with the building of them. I do not think there is a mile too much of railway in Canada to-day. The railways, are located in a great many instances in the wrong places.

There are three routes recommended by the engineers' report. One route is by Obed, running south from the Edmonton, Dunvegan and British Columbia railway, east of the mountains. It would use the Edmonton-Dunvegan section of the railway running up through Grande Prairie and the Central Canada railway, which is a branch of the Edmonton, Dunvegan and British Columbia railway, as the branch line system for the present. That route is about 200 miles shorter to Pacific ports than the present route. The route that has been surveyed through Monk-

man pass, and which does not call for a larger expenditure than the completed Obed route, would bring the whole Peace river country within about 800 to 890 miles of the Pacific coast and is nearly 400 miles shorter than the present route. I do not think it is an economical proposition for the country to haul freight 1,200 miles when the freight can be landed at Pacific ports, where a great deal of it goes anyway, by hauling it a distance of 800 miles.

We are doing a lot of work for nothing. That may be a good policy for people who believe that the great thing in the world is work, but most of us believe that the best thing is to get things done with as little labour as possible. I am not going to argue for any specific route, but I say to the Minister of Railways (Mr. Dunning) that in my opinion he could very well examine more closely the Monkman and the Pine pass routes. The survey to-day is merely a temporary one, and I think the mileage obtainable both to Peace River and to Prince Rupert justifies that survey. It means a difference, from one or two of the main points in Peace River, of 400 miles to Prince Rupert as compared with the present route.

With regard to the question of immigration there is a good deal of propaganda in Canada to-day. The suggestion is that we should have more immigrants. If you will go back to the time when we were getting a lot of immigrants, from 1900 to 1913 and 1914, you will find that we had a very strenuous record in the matter of railway construction. In 1900 we had 17,000 miles of railway and to this was added in 1901, 483 miles; and we kept on increasing our annual program of railway construction until 1914 when nearly 5,000 miles were constructed. You will find that during the years when construction was heavy immigration also was heavy. From 1914 to 1918 we had the war and practically no immigration or railway construction, but since then, in 1920, 1921, 1922 and 1923, we have constructed two hundred or three hundred miles of railway annually, and it seems to me that that is a wrong policy with a railway program. Just because we went to extremes in the years previous to 1914, if indeed that is our conclusion, is no reason why we should swing back and say we will not do anything in future, or that we will do as little as possible. If it is worth while to settle the country with new immigrants, and the vast majority of them will go where they can get free land, free land in the Peace river district is possibly more attractive to-day than anywhere on the North American continent, and it will be much more attractive when this Pacific coast outlet is constructed. I think it reasonable to say that the construction of the railway and the settlement of the country must go on together; we will not get the country settled as fast as we would like, without the railway.

We are asking to-day what is the matter with the steel industry; a report has been made to this House stating that bounties and tariffs may be necessary to save our steel industry. If you look at the railway mileage constructed in each of the years from 1919 to 1924, there can be no question that we have there at least one explanation of the difficulties of the steel industry in Canada to-day, and that is another illustration of the fact that you cannot halt a certain line of activity without the result reaching back to other industries as well. If we are going to do anything to help industry in this country it should be along the line of a reasonable development of our natural resources, because I believe that trade is better than tariffs, and business is better than bounties.

With regard to the Peace river outlet there can be no question of development; the country is there, the business will be there, and I think the project is justified from every angle.

Hon. CHARLES A. DUNNING (Minister of Railways and Canals): Mr. Speaker, I have a few observations to make, but I assumed that some others of those supporting the resolution desired to speak before I made any statement in regard to it. If that is not the case I am prepared to go on now for a few moments, by way of information.

I think possibly exception might be taken to the resolution itself as being of doubtful order, inasmuch as its language would commit the House to an immediate and considerable expenditure of money. I do not propose to raise that question, which might be debatable; I do not assert that it is definitely out of order, but the point is at least questionable. The reason I do not desire to raise the point of order is that I think it desirable that an hon. member elected from a constituency so peculiarly situated as is the constituency of Peace River, should have full opportunity to place before his colleagues in parliament the situation of his people with respect to railway transportation.

My hon. friend quoted at some length the statements of various political leaders with regard to the question of an outlet westward for the people of Peace river. The question as I understand it is not so much one of bringing railway facilities nearer to settlers, but is rather a question of securing access to the Pacific coast on a shorter mileage than

now exists on the railroad already in existence. It is not by any means the ordinary branch line question; that is usually a question of getting railway facilities of some kind within reasonable reach of the people in the district concerned. This problem, I repeat, is one of giving access to the western coast of this country to people who are in a large measure now served by railroad facilities, but which run, so far as they are concerned, in the wrong direction.

My hon. friend referred to certain statements made by the right hon. Prime Minister in 1924, and I think in fairness he might have gone on to say that subsequently in 1924, or early in 1925, a conference was held in the office of my predecessor, the Right Hon. George P. Graham, at which were present not only representatives from the district in question but also Sir Henry Thornton, president of the Canadian National Railways; Mr. Beatty, president of the Canadian Pacific Railway, and the then Prime Minister of Alberta, a gentleman of the same political faith as my hon. friend. The purpose of the conference was to determine the best way of intelligently attacking this problem of a western outlet for the Peace river country, and I think I am correct in saying that the conference agreed upon the examination of the question by a joint body of engineers responsible both to the Canadian National Railways and to the Canadian Pacific Railway. The interest of the Canadian Pacific Railway was due to the fact that at that time they were the lessees of the Edmonton, Dunvegan and British Columbia railway, which is owned by the province of Alberta and which serves the people to whom my hon. friend has been referring. As a result of that conference a detailed examination by engineers took place, and I have here their report, which was tabled in the House last session and was available to all members. It contains a good deal of interesting information with respect to the problem now under discussion, and I know that my hon. friend was surprised at some of the facts which were developed.

Sir Henry Thornton is very enthusiastic about the future possibilities of the Peace river country. I believe in its agricultural possibilities myself; I think it will develop into one of Canada's richest agricultural areas. Its possibilities from the standpoint of quality were well set out by my hon. friend when he pointed out to the House that the winner of the world's prize for wheat and oats at Chicago in 1926 was a farmer of the Peace river area, in his own riding. The agricultural possibilities of the area are undoubtedly proven, but I think my hon. friend will also agree with me when I say that the problem is not in the main one of branch line construction to serve settlers now farming there. Only a relatively limited number of the farmers are now a long distance from existing lines of transportation, and the problem is really one of providing a more economical way to the markets of the world for those situated within reasonable distance of those existing lines of transportation. I want to qualify that by saying that, as the engineers' report demonstrates, there is undoubtedly need for some further branch line construction on the Edmonton, Dunvegan and British Columbia system in order to enable the country to fully develop, in order to assist in its settlement and encourage immigrants, but in the main the problem is one of providing a more economical outlet to the people already there and within a reasonable distance of the existing lines of railway.

Mr. CAHAN: Would the hon. gentleman give us the number of that return in order that we may identify it for further study?

Mr. DUNNING: I am sorry that the copy I have is not numbered, but I will see that my hon. friend is supplied with a copy. I spoke of Sir Henry Thornton's enthusiasm in regard to the district in question. This is an extract from a letter which he wrote me under date of December 20, 1926, regarding this matter:

> You are aware that a couple of years ago I made a trip through the Peace river country and came back much enthused with respect to its productivity and the desirability of providing a more suitable outlet. After some discussion the engineers of the Canadian Pacific and our own railway made a joint report, dated February 26, 1925, and this report is on file in the archives of the department. The conclusions were disappointing, at least to me, as the amount of money involved far exceeded that which the traffic would justify.
>
> Under the present arrangement, as you know the province of Alberta is operating the Edmonton, Dunvegan and British Columbia railway in conformity with the traffic arrangement with the Canadian National railways. I think that for the time being this provides all of the transportation facilities which may be required, and you will note that such reductions in freight rates have been made as would seem to serve the immediate necessities of the Peace river country. In view of the large amount of money involved, I think we should allow the present arrangement to run for three years and see how it works out.

I do not want to weary the House with details in regard to the engineers' report on the project, but in reviewing it we should bear in mind what the motive of the people now living along the line of the Edmonton, Dunvegan

and British Columbia railway is. Why do they want a western outlet? My hon. friend says that they want a western outlet because it would be some 400 miles shorter. That is, I think, correct. By at least one of the routes proposed some 400 miles are apparently saved in the distance to the Pacific coast as compared with the distance via Edmonton. The hope of every one concerned undoubtedly was that this saving of 400 miles in distance would result in an economy to the people now farming, now doing business in the area referred to. To put the matter briefly, they want the western outlet because they think they could thereby get products to market more cheaply than they can at the present time. They do not want it for any other reason. I think my hon. friend will agree with me in that. The report of the engineers in that regard is somewhat disquieting. I quote now from the engineers' report on page 23, not desiring to weary the House with details, but rather to give conclusions. Summarizing, the engineers say:

> The studies show conclusively that for a long time to come the most economical route is, not by a western outlet, but via Edmonton over existing lines of railway This statement cannot be questioned for the reason that the excess interest charges on the initial investment in the most economical of the proposed routes is over ten times the extra cost of hauling the assumed initial traffic via Edmonton. In the case of the Obed route and the Edmonton and Canadian National railways to Vancouver, the figures are:
>
> Extra interest charges, $548,200 per annum.
> Extra cost of operation, $40,683 per annum.

I know my hon. friend will say that if the western outlet were built, the Peace river country would rapidly fill up and therefore would develop a greater density of traffic and a greater economy in operation. But I may say that the engineers, in calculating their initial assumed traffic, take a much larger volume of traffic than has hitherto come off the lands in question. Am I wrong?

Mr. KENNEDY: The report says that but it is wrong.

Mr. DUNNING: I am merely quoting from the report. Taking the quotation to which I have just referred, namely:

> That for a long time to come the most economical route is, not by a western outlet, but via Edmonton over existing lines of railway—

That is, to the Pacific coast.

> This statement cannot be questioned for the reason that the excess interest charges on the initial investment in the most economical of the proposed routes is over ten times the extra cost of hauling the assumed initial traffic via Edmonton.

Mr. CAHAN: Would the hon. gentleman explain that statement, make it a little more intelligible to us?

Mr. DUNNING: Does it not speak for itself? I gave the figures. The extra interest charges involved in the cheapest of the routes discussed are $548,200. The extra cost of hauling the assumed initial traffic via Edmonton is only $40,683 per annum. That is the statement of the engineers contained in their very complete examination of the question.

Mr. CAHAN: Does that amount of $40,683 per annum refer to the cost of carrying out the farm products from the Peace river valley at the present time, or does it represent the assumed cost over the shorter route if built?

Mr. DUNNING: It represents the extra cost of operation involved in hauling via Edmonton over the existing route as compared with the cost of operation alone over the most economical of the proposed alternative routes.

Mr. CAHAN: I understand now.

Mr. DUNNING: With regard to the question generally, one could go into a great deal of further detail on the basis of the engineers' report. The men responsible for it were reputable men. Mr. Sullivan was consulting engineer for the Canadian Pacific in connection with the matter. Mr. Gzowski, chief engineer of the construction department of the Canadian National also signs the report. The others are Mr. Fairbairn, chief engineer of the Canadian Pacific, Mr. James, assistant chief engineer of the Canadian Pacific, and Mr. Hill who was the exploration and locating engineer of the Canadian National.

Mr. CLARK: Did all of these gentlemen or any of them personally visit and go over these proposed routes?

Mr. DUNNING: I cannot say that they all personally went over the proposed routes. I know Mr. Hill did. He did the exploration work. Perhaps the hon. member for Peace River could help me on that question. It is my impression that all of the gentlemen concerned were up there.

Mr. KENNEDY: Yes, they were.

Mr. STEVENS: They all signed the report?

Mr. DUNNING: Yes. I think the report would repay study by any member of the House interested in transportation problems. It may be said that the engineers are

wrong, but I must say that after an examination and testing of the figures which they give in their report and asking the permanent officers of the department and officers of the railway for criticism of various phases of them, I find that those figures have so far been proven up to the hilt. I have had no criticism of the accuracy of the engineers' report. In that connection may I say that it was tabled in this House last March or April. I just forget the month, and no question has ever been raised so far as I am aware as to the accuracy of the engineers' conclusions in that regard?

Mr. CAHAN: Would it not be advisable to have a report such as that circulated or distributed? At times reports laid on the table of the House do not attract much attention, but certainly the development of the Peace river country has attracted the attention of the whole Dominion, and it is well that we should be accurately informed with respect to the several proposals.

Mr. DUNNING: I do not know to what extent the newspapers took advantage of the opportunity to print the conclusions of this report. The report is available, of course, in the same manner as any other document. Personally I would favour the printing of this report for distribution in the area affected, for the reason that the Peace river people would not be any better off with a western outlet unless it saved them money in freight rates.

Mr. BROWN: Would the minister deal with that question just a little more in detail, comparing the rates they pay now with what they would pay over the proposed new route. I understand that there was some arrangement made whereby they got some benefit.

Mr. DUNNING: They have now the prairie standard of rates. The reduction took place, I think, two years ago. My hon. friend from Peace River well knows the time at which it occurred; I am not so accurately informed as to that, and I do not know that I could in a moment find in the report the detailed information which my hon. friend from Lisgar desires, but I can give what is really the crux of the matter, and that is the cost of constructing any of these outlets. It is the capital cost of construction which involves the increased interest charge, and that would involve an increased cost at the present time on the volume of traffic available.

Mr. BROWN: If my understanding is correct, there was an arrangement whereby the settlers, instead of paying on a mileage basis, were given some reduction in rates as compared with the rates that would be necessary over the longer haul. I had the impression that there was some such arrangement as that.

Mr. DUNNING: Yes, there is. I have not the details of it before me, but I shall be glad to get them.

Mr. FORKE: I think they are allowed a rate that would be about the same as if they had the shorter haul; that is to say, as if it had been reduced four hundred miles. They had about the same rate via Edmonton as they would have over the shorter haul.

Mr. BLATCHFORD: I think you will find that the Peace river farmers were paying freight rates on the Rocky mountain scale until two years ago, when the prairie scale came into effect.

Mr. DUNNING: That is right, but when my hon. friend from Lisgar asks me just how many cents a hundred the difference was, I regret that I have not that information at hand, but the hon. member for Peace River well knows the nature of the reduction, and after all, is not the question one of principle? If the report of the engineers is correct, that the people now living in the Peace river country, along the line of the Edmonton, Dunvegan and British Columbia railway, would not get lower freight rates by reason of a western outlet being built, then they would certainly not be realizing their expectations, because they want the western outlet in the hope that it would mean reduced freight rates for them.

Mr. CAHAN: What was the estimated capital cost of the construction of this new western outlet?

Mr. DUNNING: I will pass to that immediately.

Mr. KENNEDY: Does not that involve an entirely new principle in the fixing of freight rates?

Mr. DUNNING: I did not get the question.

Mr. KENNEDY: The railway commission fix rates partly on a mileage basis, and if, when you build a new railway from the Peace river country to the Pacific coast you are going to saddle the local traffic with the capital cost of that railway, I say you are introducing an entirely new principle in the fixing of freight rates.

Mr. DUNNING: I am not setting up any principle, but it is my duty as Minister of Railways to point out that if these people get

lower freight rates as the result of the building of a western outlet, it will be at the expense of this country as a whole, because the western outlet, as proposed, could not on the present volume of traffic begin to earn the interest on the capital cost in addition to the cost of operation.

Mr. CLARK: Has not that been the result, for a period of time, at least, in the case of each new piece of railway that has been built in Canada?

Mr. DUNNING: It may be true with respect to certain new pieces of railway that have been built in Canada, but it must be remembered that this is a special problem, entirely distinct in its nature from the ordinary branch line problem. The country is now mainly served. The question is the building of a westward link through a portion of country which will be mainly unproductive, according to the engineers' report, and again I must fall back on that.

Mr. STEVENS: Would the minister permit a question?

Mr. DUNNING: I really cannot deal with a complicated subject like this and take every interruption. However, as my hon. friend is so courteous and has not questioned me before, I shall be glad to allow a question.

Mr. STEVENS: Go ahead. I will speak in a minute.

Mr. DUNNING: Come on.

Mr. STEVENS: No, go ahead.

Mr. HOCKEN: If my hon. friend from Vancouver Centre is not going to take advantage of this opportunity, do I understand that by the building of this new line to the coast we would then have three lines of railway going to the coast from that district? We have now the Canadian Pacific and the Canadian National; is there another one to go through?

Mr. DUNNING: No, not necessarily, and even if there were, I would like to assure my hon. friend that there is an awful lot of room out in that country. The question at issue between myself and the hon. member for Peace River is not whether or not this line should be built, but his resolution declares that it should be built immediately, forthwith, right away quick. That is my difficulty. If it were in order for every member who desires branch line railway construction to come into this House and move a resolution that a certain line of railway should be built forthwith, I can well imagine that this House would spend a very great deal of its time debating such resolutions, and I am afraid we would not be able to work out the destinies of the Canadian National along business lines if that were done.

The whole question is one of the time at which this work should be done. On the basis of this report, which is the only authentic information of a responsible character in existence regarding the whole matter, I cannot as Minister of Railways say to the House that we ought to agree to proceed immediately with the building of this route. Now what will it cost, according to the engineers?

For the route via Sturgeon lake and Obed, new construction of 204 miles would be required for the assumed minimum traffic. The capital investment would be $13,336,000, or to Prince Rupert $13,356,000.

For the route via Monkman pass, the new construction required, assuming the line goes to Prince Rupert, would be 188 miles for the assumed minimum traffic. Assuming the line goes to Vancouver, the construction required would be 198 miles, and assuming it goes via the Pacific and Great Eastern, which is British Columbia's railway, 310 miles of new construction would be required.

The capital investment on the Monkman pass route, taking Prince Rupert as the destination, the shortest route, would be $16,092,000. The capital investment on the Peace pass route would be $21,472,000.

An hon. MEMBER: How many miles?

Mr. DUNNING: New construction via the Canadian National to Prince Rupert would require 502 miles. New construction via Canadian National to Vancouver would require 512 miles, new construction via Pacific and Great Eastern to Vancouver 542 miles, and new construction via the Fraser river to Vancouver 850 miles. That is via the Peace pass. The Pine pass is dismissed in favour of the Monkman route by the engineers.

Then another interesting alternative is discussed on page 10, the route to Stewart on the Portland canal. Instead of going to either Prince Rupert or Vancouver, the possibility of going to Stewart on the Portland canal, via the Findlay Forks is dealt with, and the minimum construction for assumed initial traffic in that case would be 611 miles, and the capital invested $30,370,000, or including the connecting line to Prince George, $37,750,000.

Mr. CLARK: Which is the Brule cutoff?

Mr. DUNNING: That is the one which is described in the report of the Obed route. It is the cheapest of the three and would involve a capital cost of $13,336,000.

Mr. CLARK: Are the grades good on that route?

Mr. DUNNING: The gradient against outbound traffic would be 0.5 per cent.

Mr. CLARK: It is a very low grade.

Mr. DUNNING: Yes, a very low grade.

Mr. TOLMIE: The lowest grade is on the Monkman route.

Mr. DUNNING: The gradient against outbound traffic to Prince Rupert is 0.5 per cent.

Mr. TOLMIE: Is there any choice between the different routes as regards the fertility of the land?

Mr. DUNNING: What is known as the cutoff via Brule would not give us an outlet to the ports of British Columbia. It is almost due south of the existing end of steel on the Edmonton, Dunvegan and British Columbia line.

Mr. CLARK: Could it not be extended into it?

Mr. DUNNING: That is always a possibility. As to the relative merits of the various routes, I think the only difference of opinion to-day would be as between the Obed route, known as the Brule cutoff and the Monkman pass route. I think my hon. friend will agree that they are possibly the only two alternatives that should be considered, the one involving a gradient of 0.5 per cent and the other a gradient of 0.75 per cent to Vancouver via Canadian National. The Monkman pass route would involve a one per cent grade if the Pacific and Great Eastern and the Canadian Pacific railway were used.

I give this information not with a view of demonstrating that such a cutoff should never be built, but with a view of demonstrating on the basis of the report which we have, that it should not be immediately proceeded with, as my hon. friend's resolution calls for. I hope that in presenting proposals for capital expenditure on new lines of railway I will always have the support of the recommendation of the president and the officers of the Canadian National Railways. It has been the practice in the past, I think before my time, when branch railway bills are brought into the House, that they are referred to the committee of the House dealing with railways and canals, in order that officers of the railway may be called before that committee and justify on economic grounds the proposals for construction which they make. That plan I hope the House will follow this year with respect to a new three-year program of construction for Canadian National lines.

I hope my hon. friend will not press this resolution to a vote of the House. In any event it ought to be carefully examined, in the same manner as ordinary branch lines proposals are examined because it involves a tremendous expenditure.

May I suggest also that there is no more enthusiastic individual so far as the future of the Canadian National Railways in the Peace river country is concerned, than the president of the Canadian National Railways. I am sure that when Sir Henry Thornton deems it an economic possibility, a practical thing, to build this connecting line westbound rather than to haul the traffic round by Edmonton to get to the Pacific coast, he will recommend to the Minister of Railways that the work be proceeded with. The best evidence of his good will and the good will of the government in that regard is the fact that such a careful examination was ordered as resulted in the report which I have been discussing and to which my hon. friend referred. If my hon. friend divides the House on the resolution it will be with very great reluctance that I will vote against it. I shall have to do so however, because it calls for an immediate start to be made, an immediate commitment of this House to an expenditure of $13,000,000 odd as a minimum on the basis of a proposal which, on the best advice we have been able to get, will not bring the relief in lower freight rates that the people affected expect to get as a result of it.

Hon. H. H. STEVENS (Vancouver Centre): I had not intended to say anything in regard to this motion, but some of the arguments of my hon. friend the minister lead me to say a few words. I think the House ought to notice this rather significant fact, that practically every argument advanced by the minister, as well as by the engineers in the report which he quoted, is based upon the words "initial traffic". That is the traffic that is there now. Every comparison that is made as regards loss or gain one way or the other is based upon figures of present traffic. I want to point that out at this stage because I think it very vitally affects the whole question.

Mr. DUNNING: I am hardly fair to the report in not stating to the House that the report goes on and assumes traffic development, and deals with what the situation would be in the event of further development taking place.

Mr. STEVENS: I am rather sorry, because that was the question I tried to ask the min-

ister when he said he did not like to be interrupted when expounding an interesting question. My hon. friend from Peace River (Mr. Kennedy) is asking the House to declare that the time has arrived for the commencement forthwith and the completion in the near future of a direct railway outlet from the Peace river country to the Pacific coast. The minister complains bitterly about the word "forthwith".

Mr. DUNNING: Not bitterly.

Mr. STEVENS: No, but strenuously.

Mr. DUNNING: He does not complain at all.

Mr. STEVENS: He emphasized that more vigorously than I think he should have done. I should like to remind the minister and the government that this very word was attached to their estimate for the completion of the Hudson Bay railway—"forthwith". I should like also to remind the minister in particular and his colleagues generally from the prairie provinces that they won their election in Saskatchewan very largely on that word "forthwith" attached to the estimates for the Hudson Bay railway.

Furthermore, they pledged themselves to the completion of the Hudson Bay railway forthwith without all this engineering investigation. Having pledged themselves forthwith to complete that railway they are now sending air corps to three points on the Hudson straits, and they are also bringing from England an engineer to make investigations to ascertain whether it is wise to go on with the railway.

Mr. DUNNING: My hon. friend's statement is entirely incorrect.

Mr. STEVENS: Mr. Speaker, I should like the minister to point out wherein I am misinforming the House.

Mr. DUNNING: No investigation is being conducted by the government into the advisability of completing the Hudson Bay railway, not the slightest.

Mr. STEVENS: The minister, I notice, is very fond of interrupting. I have just mentioned this in a casual way; let me make it a little clearer for his benefit. I want my hon. friends from Saskatchewan to pay attention to this. Next summer the government are establishing three aerial posts on the Hudson straits with the purpose for one year, from next August over until August of 1928, of carrying on investigations by aircraft as to the navigability of the straits. They are also bringing out from England an engineer to determine whether Fort Churchill or Port Nelson is the better place as the terminus of the line. Now the minister tells us that that has nothing to do with the forthwith completion of the Hudson Bay railway. It does not matter whether the straits are navigable or not, it does not matter whether the engineer from England reports in favour of Fort Churchill or Port Nelson, they are going to finish the road forthwith.

Mr. DUNNING: Mr. Speaker, in all good humour I must again protest against my hon. friend's statements regarding the government's intentions. They are entirely wrong. No announcement such as that quoted by my hon. friend has ever been made by the government.

Mr. STEVENS: Will the minister tell this House that there has not been considered by the government the establishment of three aerial posts on Hudson straits, and that no orders have been given to that effect?

Mr. DUNNING: I shall not make any denial.

Mr. STEVENS: No, the minister cannot, because those orders have been given.

Mr. DUNNING: Will my hon. friend permit me? There will of course be a proper time to discuss the Hudson Bay railway and the Hudson Bay route, but I submit that it is not on this resolution, which deals directly with the Peace River and an outlet to the Pacific coast. A great many miles lie between the two points. But I might point out to my hon. friend that what the government has in contemplation on the Hudson straits has not anything at all to do with the completion of the Hudson Bay railway. The Hudson Bay railway will be completed anyway.

Mr. STEVENS: The minister a moment ago sought to lead the House to believe that I was not telling the truth when I said these posts were being established.

Mr. DUNNING: No, no.

Mr. STEVENS: Now he admits they are. He dare not deny it—nor does any other minister dare deny it.

Mr. SPEAKER: Order. I must ask hon. gentlemen to confine their remarks to the Peace River.

Mr. STEVENS: Mr. Speaker, you have very properly drawn our attention to the subject matter of this discussion. But I should like you, Sir, who are a master in debate, to appreciate this point: I am using the ministerial word "forthwith" to illustrate that there cannot be much credence placed in the minister's argument to-day and his objection to that word.

Mr. SPEAKER: I understand that the hon. member is not only drawing an analogy between the two railways; he is travelling too far on the Hudson Bay railway whilst the resolution has reference only to the Peace River railway.

Mr. STEVENS: Exactly, Mr. Speaker, and I am fortunate in having such a judge of my words and my intentions. My hon. friend, however, sought to make this a sort of contest between the movement of grain eastward and westward. I regret that, because after all it is a controversial question, and I submit, Sir, that it is not a question that should be debated on that ground, as I hope to show before I conclude.

The whole question is that Canada some fifteen years ago opened up the Peace river country; it invited settlers to come into that country; it offered to the prospective settlers excellent prospects of transportation to the seaboard for their products. A large number of men responded and, as my hon. friend says, some 20,000 settled in that district. It is admitted by all who know the district to be one of the finest agricultural areas in Canada. It is often referred to as an empire within an empire. It is recognized that those 20,000 settlers form but a nucleus of the population that may be placed there if a proper outlet is given for their products. Up until two years ago so high was the cost of transportation of moving those products out via Fort William to the markets of the world that many settlers left the country, while others frequently kept their grain and fed it to stock. Those are facts.

It is very easy for the minister to say, as he does say, that comparatively few of the settlers are remote from existing transportation. To anyone not understanding the existing transportation situation that might be a very satisfactory statement; but that is mighty poor comfort to the settler, because undoubtedly that great settlement in the Peace river country was brought about by the expectation of the settlers that they would get facilities for taking out their products to make it possible for them to live and prosper. To simply say to those people, "Oh, you are now within measurable distance of existing transportation," is, I repeat, cold comfort indeed. The minister also said—again I am using his own words—that the district was now well served with railways. I submit, Mr. Speaker, that the district is not well served with railways. In support of this I direct the attention of the House to a statement made by Sir Henry Thornton, which was read a moment ago by the minister, namely, that a more suitable outlet ought to be found. The district is not well served with railways. A certain section of the district, it is true, has railway contact, but to say that it is well served with railways is misleading.

Mr. DUNNING: That statement by the way, Mr. Speaker, I did not make. My hon. friend from Peace River (Mr. Kennedy) was looking at me when I made the statement that there were certain branch line requirements in addition to the western outlet, but not very many.

Mr. STEVENS: My hon. friend used those very words. He conceded that certain branch lines were needed.

Mr. DUNNING: That is right.

Mr. STEVENS: And he pointed out that a very limited number of settlers were remote from existing transportation.

Mr. DUNNING: That is right.

Mr. STEVENS: Now, Mr. Speaker, let me take the argument the minister advances and upon which he lays great emphasis. He said that the increased interest cost would exceed the initial saving on the present volume of traffic, to use his own words. That is an utterly unfair comparison to make. Through the discouragement of ten or fifteen years of excessive cost for the bringing out of their produce, many settlers are producing only to a very limited extent as compared with the quantity they could turn out. Many of them are living there in the hope of future development through an outlet to the Pacific, so that they may get their produce satisfactorily marketed. If this can be brought about they will produce in larger quantities. Others are taking advantage of the comparatively high price of grain—and when I say that I mean compared to what was received years ago—running about $1.38 at Winnipeg to-day, or at any rate over $1.25 a bushel. They are able to ship their grain out, even paying the excessive cost of transportation to the head of the lakes, and notwithstanding that cost they can make a small margin of profit. But if grain goes down to a dollar a bushel, even those who are located near the best transportation facilities will find it difficult indeed to send their grain out and secure any return. So that the comparison which the minister makes, based upon the report, and which I am really surprised that engineers of such standing should submit in regard to the saving between the increased interest charges on capital investment and the calculation based upon the present volume of traffic, is wholly false. The only reason in the world

why we would ask for the completion of the road lies in the hope of having an increased traffic. No one in his senses would suggest building the road in there at a cost of thirteen million dollars to serve the present volume of traffic, for that is an absurd position to take. I say it is absurd for these engineers to take that position.

Mr. DUNNING: They do not.

Mr. STEVENS: That is the way the minister presented the matter.

Mr. DUNNING: No. The words used by the engineers are "assumed initial traffic." If my hon. friend will permit me I will give him the engineers' words; I will tell him what the engineers take as their basis for the term "assumed initial traffic."

Mr. STEVENS: It is exactly what I am saying—the assumed initial traffic. I will take my hon. friend's own words.

Mr. DUNNING: If the hon. member will let me inform him he will not fall into error.

Mr. STEVENS: My hon. friend would not allow me to interrupt him, or even to ask him a question.

Mr. DUNNING: If I owe the hon. member an apology I offer it now. I know, however, that he wants his statement to be fair to the engineers. The engineers say:

> We have therefore for our studies assumed an initial outgoing traffic to the Pacific seaboard about five times as large as that indicated in the previous table, showing shipments during five years ending with the crop of 1923.

That is to say, in dealing with the assumed initial traffic they are taking a tonnage five times larger than the average of the five years ending in 1923. I merely want my hon. friend to have correct information.

Mr. STEVENS: The minister says that the assumed initial traffic is based upon a tonnage five times greater than the average of the five years up to 1923.

Mr. DUNNING: That is what the report says.

Mr. STEVENS: Well, that is what the minister bases his argument upon. Now, if I am not greatly mistaken—I have not had time to look into the question—more wheat went out in 1926 than in the preceding years. In 1926, six million bushels were shipped out whereas the amount that went out in the previous years was very much less.

Mr. DUNNING: That is true.

Mr. STEVENS: I still submit that the basis of the minister's argument is absurd. Notwithstanding all the handicaps of the last ten or fifteen years—not of the last two years, because they have been less serious in that time—20,000 settlers have stuck to their guns. They have tried to make things go, to increase production, and tens of thousands more are ready to go into that country if it is given such transportation facilities as nature affords it. That is the point I make, and to base the whole argument of a report, which is supposed to be accurate, upon an assumption of a tonnage five times greater than the average of five years that were very much leaner than the present, is absurd.

It appeals to me that the proposition narrows itself down to this: you have a magnificent country ready for settlement, a country that is well developed, and known to the world, known I think all over the globe as the choicest section of the North American continent, where good land can be had cheaply from one of the last remaining large areas. And in that section there is already a settlement of 20,000 people. All that is required to make that area accessible to the markets of the world is the construction of a few hundred miles of railway at a cost of $13,000,000. That construction would accomplish two things: it would give to these 20,000 settlers, who went there on guarantees of the service, something to which they are entitled, namely, access to the markets of the world. And in the second place, it would do something greater for Canada, for it would open up a virgin territory which is exceedingly attractive and which offers opportunities for great returns.

Now I urge the minister and the government to give this matter their consideration. I am not going to compare this section with others, nor am I going to draw any comparison between this suggested work and work which is authorized, or which may be authorized, elsewhere. I do say, however, that I know of no area in Canada to-day that offers greater possibilities than the Peace river country. I know of no territory that would be more readily settled by immigrants than that country, if this question were solved. I know of no territory of similar extent that can be so cheaply brought into active productivity.

I want to give one or two figures. The minister suggested to the committee that with present rates the farmers could move their products to the markets of the world as cheaply as if they had connection with the Pacific coast. This, surely, cannot be sound.

The mileage from Grande Prairie, the centre of the district, to Fort William is 1,600 miles, while the mileage to the Pacific coast, if this new connection were made, would be 800 miles, or one-half the distance. The maximum grade to the Pacific coast is one-half of one per cent, according to this report of the engineers. In other words it is really a water grade to the Pacific, being practically level. On the other hand, there are adverse grades on the prairies, going to Fort William, which are much higher. So that the question of grade does not enter into the discussion at all. The grade is A1; nothing better could be wished for; and the distance is one-half that to Fort William. Now, if you are going to haul grain 1,600 miles to Fort William—I do not care what rate you get—when you could haul it 800 miles to the other point, some one is going to pay the difference in cost between these mileages. The cost will be made up from some source. In other words, assuming that the inference drawn by the minister is correct—and, by the way, I dispute it—if these people can send their grain to Fort William as cheaply as they can to the Pacific coast, then they are getting a rate far below that given anyone else on the prairies.

Mr. DUNNING: My hon. friend is misquoting me entirely. I never discussed the question of shipping grain to Fort William but to the Pacific coast via Edmonton. I made no comparisons based on shipments to Fort William.

Mr. STEVENS: To the Pacific coast via Edmonton, then. The mileage to the Pacific coast via Edmonton is 1,200 and the minister says that they will haul grain from the Peace river country 1,200 miles as cheaply as they would be able to get it out if this connection were made giving a haul of 800 miles.

Mr. DUNNING: I did not say that either.

Mr. STEVENS: I am narrowing the minister down to this fact, which he should have stated, that there would be a distinct saving to these settlers if they had this cut-off. The minister sought to leave the impression with the House that there would be no saving; I leave it to the House if that is not so. He did not say it in so many words, but when I rose to put the straight question he would not let me speak, saying that he was making an intricate argument and did not wish to be interrupted. I say now that there would be a distinct saving to the settlers of the Peace river country if this connection were made, and there would also be such an impetus given immigration that it would mark an epoch in this country.

Now I am going to make a suggestion to the House and to the mover of this resolution, which I urge the minister to receive kindly. I make this suggestion on my own responsibility; I have not consulted my leader, whom perhaps I should have asked, but nevertheless this is my view. It is a simple suggestion, which I hope will be found acceptable. We have a committee of this House which is appointed year by year to deal with the problems of the Canadian National railways; to this committee are usually referred the railway estimates and other similar matters. I consider this matter to be of such great importance and to affect the lives of thousands of people so seriously, as well as to offer such magnificent opportunities, that it should be directly referred to this committee with instructions to inquire carefully into it and to examine the reports which have been presented, as well as the engineers themselves if necessary. Then the committee could bring into this House some recommendation dealing with the question. I think this is a reasonable suggestion, and one which should be accepted. A moment ago the minister stated that if this came to a vote he would have to vote against it, and of course in saying that he asked all his supporters to do the same.

Mr. DUNNING: No.

Mr. STEVENS: I do not want to see the House reject this motion; I would not like to see it voted down, because in a sense it would be a repudiation of a suggestion which I think merits more consideration than that. By sending this matter to a committee, which I think should be called together very soon, an opportunity would be given those interested to present their case, and at least that degree of consideration would be given.

Mr. JAMES C. BRADY (Skeena): Before I deal with the subject under discussion, Mr. Speaker, I would like to dissociate from it the Minister of Railways (Mr. Dunning). I believe he has given us not his own opinion but what information he has obtained from a report made to him.

Having done this, I would like to enumerate the various reasons advanced from the report, why the development of the Peace river district should not be commenced immediately. I think these reasons were very well emphasized, and are thoroughly understood even by those not directly interested. It was said that the president and engineers of the Canadian National Railways did not deem it an economic possibility; that it would not lower

the present rates; that it would cost about $13,000,000, and that the present volume of traffic does not permit the development of this district. I would like to ask the House if any one of these reasons has sufficient weight to prevent this necessary development of the greatest agricultural area in Canada. Without going into figures, Mr. Speaker, I think I could give four or five reasons which would make the government consider the necessity of immediately dealing with this question.

The Peace River development is not a local matter; it has a national importance, because it would almost double the present area under grain in Canada. Then it would also assist the Minister of Immigration (Mr. Forke) in overcoming the many handicaps in the way of an up to date immigration scheme, which is practically essential. This development is necessary to the interests of the Canadian National Railways, as well, because, it would add to the present volume of trade running over this road to the Pacific coast, and is a sufficient warranty for this work. The hon. member for Peace River (Mr. Kennedy) said something with which I quite agree and which I think everyone appreciated, when he asked, "Should we start with immigration first, put the people on the land and wait till they make good, or should we at the same time give those people opportunities to develop their land more quickly and bring returns to the railways?"

I do not intend to speak further on this matter, Mr. Speaker, but there is one other reason which I think the government should consider carefully. In Prince Rupert we have an elevator which in the last four months has handled a little over 2,750,000 bushels of grain from Alberta; now that the elevator is there it must stay there, and it is the duty of the government to see that this elevator is able to continue to function.

It is the imperative task and duty of the government to develop the western part of the Peace river district which, by every proof that can be and has been advanced, has been shown to be the most productive agricultural area in Canada. I have therefore great pleasure in supporting the resolution of the hon. member for Peace River, and I do so, not merely on behalf of the incoming immigrants, not merely because of an extra six million bushels of wheat that may come, but on behalf of the development of Canada and the natural resources which are there ready for the settler if he be given but a chance. In the development of the Peace river country we have an opportunity of great moment. If we make an investment of $13,000,000, in a few years we shall be rewarded beyond our most sanguine expectations. This is not a party question but it is a question that strikes deep at the root of the future development, growth and prosperity of Canada as a whole.

Mr. J. A. FRASER (Cariboo): Mr. Speaker, I am very much disappointed at the report that these eminent engineers have given in relation to the railway problem of developing the Peace river country. I also notice that very little attention has been paid to a certain project that we have in British Columbia, namely, the Pacific Great Eastern railway. Mention has been made of the Edmonton and Dunvegan railway, but very little has been said of the Pacific Great Eastern railway. Let me remind the House that when these two railways were undertaken, the Pacific Great Eastern by the province of British Columbia and the Edmonton and Dunvegan by the province of Alberta, they were to connect at the boundary between these two provinces, forming a continuous line of transportation from the Peace river country to the Pacific as well as from the Peace river country to Edmonton. Both of these projects unfortunately have fallen short of their destination and they both remain at the present time up in the air.

I might say a word or two in regard to the early history of that part of the country. The province of British Columbia was opened up in the first place by way of the Peace river pass, the very pass to which all these railroads are pointing at the present time. The elevation of the Peace river pass is 2,500 feet, not a very great elevation, in fact the lowest point there is in the Rocky mountains on the North American continent. It seems to me surprising that these eminent engineers, with only that elevation to overcome, have not directed the attention of the people of Canada to the Peace river pass. The Peace river passes through the Rocky mountains at Hudson Hope. That is the eastern breaking of the Peace river canyon. You go up the Peace river and then you follow up the Parsnip river until you come to Summit lake. From that point you have only seven miles of a portage in order to reach the Fraser river. The elevation at that point is 2,500 feet. With all deference to the eminent engineers I believe the Peace river country should properly be opened up by the easiest natural route, which is the Peace river and the Fraser river, the following of each of those water courses from the coast to the Peace river country

The Peace river country is an immense country, probably 400 miles long on each side of the river by 100 miles in width, and it is capable of vast development. Indeed, as has been pointed out here to-day, it is easily conceivable that it might double the production of grain in the Dominion of Canada. That being so, surely the idea of spending $13,000,000 is not going to stop the development of a country of that kind. What is the matter with the people of the Dominion of Canada? What is the matter with this government of the Dominion? Is that the spirit in which the Canadian Pacific undertook to open up the prairies of the west. We have a question of spending only $13,000,000 to complete this project and still the government says: Oh, it is too much.

On the other hand what do we find? The other day we were asked to vote $12,000,000 for the port of Montreal and in another case we were asked to vote $14,000,000 for work on the Welland canal. It is conceded as a matter of fact that the opening of the Welland canal is not going to cheapen the transportation of grain to the port of Montreal by a fraction of a cent per bushel. Still we are spending $15,000,000 a year and we have already spent some $30,000,000 or $40,000,000 on it. But when we have a question of opening up an outlet for this great empire in the western part of the country we cannot do anything with it. With all deference to everyone's opinion I believe there is no question that the Peace river development not only in Alberta, but also the development that will follow in British Columbia, will more than warrant any expenditure that is necessary to complete a project of that kind.

The Peace river development is not a very new matter so far as I am concerned. In the year 1891 I went to the town of Quesnel which is on the Fraser river some ninety miles south of Prince George. I went into commercial business in that town, and in the course of my business there at that date, before the completion of the Calgary and Edmonton railway, I sold goods, I loaded goods on scows in the town of Quesnel and had them transported into the Peace river country in order to provide that country with necessaries of life. They would go in in the fall and come out again the following spring with furs in return for the goods which they had brought in. Does that not point to the fact that the Fraser river and Peace river route affords a natural access to the Peace river country?

I might say a good deal more in connection with this matter, but the principal thing I have to say is to express my disappointment not only with the action of the government, but also with the report of the engineers. My own personal opinion is that that report is not of very much value, and that the subject has not been studied from as many angles as possible. For instance, I understood from the Minister of Railways that the Pine river pass route had been thrown to one side entirely, discarded as impossible and impracticable. If I am not right, the minister will correct me.

Mr. DUNNING: That is scarcely a correct quotation from the engineers' report. They discarded that route because of the manifest advantages, comparatively speaking, of the Monkman pass route.

Mr. FRASER: It is the Pine pass route I am speaking of.

Mr. DUNNING: That was not discarded because it was quite impracticable. According to the engineers, the Monkman route is so much superior, and so nearby, that it was not necessary to go into detail in the report on the Pine pass route.

Mr. FRASER: The minister was speaking of the Monkman pass route, and he gave us no estimate of the Pine pass route at all. Might I ask if there is an estimate of the cost of that route in the report?

Mr. DUNNING: I shall be very glad to read what the report says in regard to the matter. It says:

> The only advantage which the Pine pass route has over the Peace pass route is that it would be shorter for traffic originating south of the Peace river. There is no feasible crossing of the Peace river between Peace river crossing and the Canyon at Hudson Hope.

Mr. FRASER: That is correct.

Mr. DUNNING: It continues:

> —and on account of the high country between the latter point and the Pine pass, the line would have to return east for a considerable distance on the south side of the river before the ground becomes low enough between it and the Pine river to allow of a feasible line south to the Pine river valley. The recently discovered Monkman pass is in turn more advantageous than the Pine pass for this traffic on account of its lesser gradients and distance. Pine pass is approximately 175 miles from, and nearly due west of Spirit river, and approximately 155 miles nearly due north of Prince George.

They do not give any estimated costs of the Pine pass route, for the reasons there stated, but the Peace pass is fully dealt with and I can give my hon. friend the figures if he desires them.

Mr. FRASER: They considered that it would be a great deal more expensive than the Monkman pass route.

Mr. DUNNING: Yes, $21,000,000 for the initial development as against $13,000,000.

Mr. FRASER: Nothwithstanding the comparatively larger cost, when you consider this question from the point of view of the province of British Columbia, and British Columbia must be taken into consideration as well, because you come very close to a section of British Columbia which is very highly mineralized—let me interject just here the prophecy that if the proper railway development is given to that part of the country you may see in the Omineca district another development such as we have in Trail today; that is quite within the realms of possibility; indeed, it is very probable—I say that that section of the country should be connected up with the Pacific coast. I know perfectly well from travelling through the Peace river country both in Alberta and British Columbia that that is the objective of every person in the Peace river country. They say that they went in there with the promise of a railway outlet in a very short time.

Mr. MILLAR: Which route do the majority of the settlers now in the Peace river country favour?

Mr. FRASER: So far as the settlers in any part of the Peace river country are concerned, they favour no particular route. What they want is connection with the Pacific coast, and they leave to the proper authorities the selection of the most feasible route.

Again, take the railway which was started by the province of British Columbia, the Pacific and Great Eastern. Some people call it British Columbia's white elephant; in fact, that is what our own government out there calls it, but let me tell the people here that so far as I am concerned the Pacific and Great Eastern is no white elephant at all. What is troubling British Columbia at the present time is the white elephant of a government that we have there, and if we could only get rid of our white elephant government we might have reasonable railway development.

I have had much pleasure in listening to the debate on this question this afternoon. I think the suggestion of the hon. member for Vancouver Centre (Mr. Stevens) is a very good one. I know perfectly well that so far as I am concerned this is a question that has not been examined as thoroughly as it should have been, and it has not received the consideration to which it is entitled, nor have the people of the Peace river country received the consideration to which they are entitled. I therefore think that the suggestion of the hon. member for Vancouver Centre is a very reasonable one, that this question should be referred to the special railway committee. In conclusion, I must say that I have very much pleasure in supporting the hon. member for Peace River (Mr. Kennedy) in any effort he may make for the opening up of that territory by means of a railway outlet, which has been promised so many times.

Mr. J. A. CLARK (Vancouver-Burrard): In rising to say a few words on this resolution, I may say at the outset that if the matter comes to a vote, I am prepared to support the resolution as it stands. Failing that I will support the proposal made by the hon. member for Vancouver Centre (Mr. Stevens).

I am prepared to support the resolution as it stands because the report of the engineers from which the Minister of Railways (Mr. Dunning) has quoted shows conclusively that a line of railway can be built through this territory by one or more alternative routes and at a moderate cost. Take, for instance, the Sturgeon lake and Obed route, which the minister states is approximately 200 miles, and the cost of which is approximately $13,000,000. That line can therefore be built at a cost of approximately $65,000 per mile or $35,000 per mile less than the country paid for the construction of the Grand Trunk Pacific—approximately the same amount as the Canadian Northern paid for the construction of their line of railway through the province of British Columbia.

I support the resolution secondly for the reason that a railway outlet would, in the words of the Prime Minister, open up for development an empire. I note that the hon. member for Peace River, speaking before an audience in Edmonton, stated that the Prime Minister said:

> The Peace river is among the richest in Canada, but before the proper development of that country can take place an outlet to the Pacific coast is an absolute necessity.

I am in entire agreement with the statement of the Prime Minister, and for these two reasons I am prepared to support the motion of the hon. member for Peace River that this railway be built now.

It may be asked, how can you favour this course in view of the engineers' report and in view of the statements made by the hon. Minister of Railways. Mr. Speaker, I have no hesitation in saying

that this report from which the Minister of Railways has quoted is absolutely misleading. Rather I would put it this way: that this report is of no value from a commercial point of view. Perhaps the Minister of Railways will correct me if I am wrong in the deductions I make from the report. I observe that the report states that the average tonnage available for a period of five years, ending 1923—

Mr. DUNNING: What page?

Mr. CLARK: I am quoting from the typewritten copy, page 13. It may correspond with the report the minister has. It states that the average tonnage available is 48,934 tons, or a total of 2,043,000 bushels of grain. Now then, the minister stated that the engineers had allowed five times that amount as the initial traffic which would be available. I notice that they place the tonnage at 35,000 tons—that is at page 25—and they multiply that by five, making a total of 175,000 tons available. On page 13 the report states that the average tonnage over the period of five years up to 1923 was 48,934, or 13,934 tons greater than that allowed by the engineers. As a matter of fact, on the figures quoted by the member for Peace river, the number of bushels taken out of the Peace river in the year 1926 amounted to 6,000,000, or three times the tonnage that was available on the average of the five years quoted. That would make a tonnage of grain alone for the year 1926 of 146,000, which is almost equal to the amount which the engineers report to this House as being five times that presently available. In other words, the tonnage for this year of grain alone almost equals that which these engineers state to be five times the amount presently available.

Mr. DUNNING: My hon. friend must bear in mind that this report was made in February of 1925.

Mr. CLARK: I appreciate that; I am giving the year and trying to show that there has been that development since.

Mr. DUNNING: That is the point.

Mr. CLARK: Which shows that the report is of little practical value to us.

Mr. STEVENS: They should make it five times that this year.

Mr. CLARK: Exactly what I am coming to. There is another respect in which this report fails—and I hope the minister will correct me if I am wrong, because I have not had an opportunity of making a careful analysis and study of it.

[Mr. Clark.]

Mr. STEVENS: My hon. friend was not wrong.

Mr. CLARK: I am right so far, and I have the concurrence of the minister. My next point is that I think it a well-recognized principle that there would be available approximately three hundred per cent more tonnage on all commodities carried than would be carried in grain alone.

Mr. DUNNING: Three hundred per cent?

Mr. CLARK: Yes, three times. In other words, if the railway carried a tonnage of grain of 150,000 tons, which they would carry this year, they would carry of all commodities in and out approximately 450,000 tons. I think my hon. friend from Peace River will have figures to show that that was approximately the percentage of increase carried by the railway company in all commodities.

If I am right in that respect, I want to carry my argument one step further. The figures supplied by the railway engineers allow that country a production of approximately two million bushels of grain. This year, two years after the report was made, we find an increase of three hundred per cent, despite the tremendous disadvantage that country is suffering from—three hundred per cent in two years' time. I think the House will agree with me—and in fact I think it is admitted by the Prime Minister and in all the reports—that Peace River is one of the richest grain countries in the world, and if there are over two million acres presently available for cultivation if properly tapped by the railways, that the production of wheat and other grain in that district would be not less than fifty million bushels, or twenty-five times the average tonnage estimated by these engineers two years ago in grain alone. In addition of course this government must take hold of the situation and undertake a colonization scheme, because conditions in that country warrant a colonization scheme if it is warranted in any part of Canada. I ask this government, where to-day in Canada are there lands that equal in quality the lands in the Peace river district available for colonization? Where to-day are there lands that are available at as cheap a price as the lands in that district? Where to-day has the Dominion government an area of land under its own jurisdiction which can be used for immigrants? Where else can such land be found? I think, Mr. Speaker, we can safely state that there is no other part of Canada that presents such a fertile field for immigration as does the Peace river country, and it is dependent entirely, as the Prime Minister himself said in addressing

an audience in Edmonton, on an outlet to the Pacific coast, which he stated at that time was an absolute necessity.

We have this afternoon emphasized the resources of that country for grain alone, but we all know that it has immense mineral wealth and immense timber wealth, either of which might justify the building of a railway. These two subjects have not been touched upon, but they are resources which would provide a tremendous increase in the tonnage. Without, however, allowing a single ton for minerals and timber, we will find that colonized for agricultural purposes alone the country will provide a tonnage twenty-five to thirty times greater than that upon which the engineers based their estimate. That being the case there should be, when that country is colonized, a tonnage in agricultural products alone and those necessarily handled in conjunction therewith, in excess of thirteen million. In this report the engineers admit that when the tonnage equals 1,400,000 tons it will be economically unsound to haul via Edmonton over the Edmonton and Dunvegan route.

Now, it is very clear that if this country is colonized and developed to anything like its capacity there will be, based on agriculture alone, a total tonnage in the not far distant future, ten times greater than that referred to by the engineers as being sufficient to justify the building of this outlet. Just visualize, Mr. Speaker, what that railway would mean not only to the people who are there to-day, but to the development of Canada generally and to the Canadian National Railway. It is well known that no railway in this country has prospered which did not have feeders or branch lines. On the Canadian National Railway we have one stretch in excess of 700 miles which has no feeder or branch line. We come here now asking for a branch line leading into one of the richest parts of the Dominion, and the minister stands in his place and calmly says that for three years at least, based upon this report, we should not consider the building of this railway.

Mr. DUNNING: Mr. Speaker, again my hon. friend is misquoting me. I read Sir Henry Thornton's opinion that the existing arrangement with the Alberta government operating its own railway might very well work for the next three years. I did not express an opinion of that kind myself.

Mr. CLARK: I thought the minister was really basing his conclusions upon this report. I have not the letter of Sir Henry Thornton before me, but I feel convinced he must be basing his opinion upon this report.

Mr. DUNNING: That is right.

Mr. CLARK: Then that is good enough. It is perfectly clear, I think, to anyone who has made even a cursory study of the report that it is not worth the paper it is written on for the purpose of arriving at a sound conclusion as to whether or not this railway should be built. There is information in it of inestimable value, but from the point of view of whether the railway would be an economically sound project or not I feel the report is of no great value to this House.

There are several other aspects of this report that I might touch upon, but I have dealt with what I consider the fundamental feature of it. If there is any portion of Canada where additional railway construction is justified and requires immediate investigation it is in this particular part of the country. I repeat, the Prime Minister considered that to be the case three years ago when he pledged himself that as soon as it was humanly possible the great Peace river country would be given that measure of railway relief that would bring to the pioneers of that country an outlet that they had been so long denied and would open up the country for prospective settlers. What stronger pronouncement could we have? Am I to infer that the Minister of Railways disagrees with the policy announced by the Prime Minister on that occasion? It would appear so. It might be very interesting indeed to have a vote upon this resolution to see who on that side of the House are following the Prime Minister and who are following the Minister of Railways, because I do not think there could be any declarations of policy so diametrically opposed to each other than that announced by the Prime Minister at Edmonton and that which we have heard this afternoon from the Minister of Railways.

I urge upon this House, Mr. Speaker, the immediate and favourable consideration of this resolution. Failing that, I urge an immediate investigation before a committee as suggested by my hon. friend from Vancouver Centre (Mr. Stevens).

Hon. CHARLES STEWART (Minister of the Interior): Mr. Speaker, I confess that before hon. gentlemen had spoken I did not think there was any need for a further investigation, but the more statements I hear about the Peace river country and the proposed railways there the more I am in favour of the suggestion of the hon. member for Vancouver Centre (Mr. Stevens) because I think there is a great deal of misinformation abroad in this House in relation to the subject.

Let me say at once that I am extremely interested in an outlet to the coast from the Peace river country. On various occasions I have pressed this matter upon the attention of my colleagues, and I do not believe the Peace river country will ever come into its own until there is such an outlet. But the suggestion of building the outlet by Obed or a connection with the Grand Trunk Pacific railway east of the Rocky mountains is not the solution of the question. Anyone who knows the country will say so immediately. So what is the use of discussing a $13,000,000 project which gets us nowhere? That is why I say we need more information. As for the Monkman pass, practically the same thing can be said. It touches only the southwest corner of the Grande Prairie district, and would entail expensive railway building from the north side of the river, which is a huge agricultural territory that still needs railway construction. Going westward, it is admitted by everyone that you cannot cross the Peace river until you get in the vicinity of Hudson Hope. Therefore you are figuring not on 119 miles but on 150 miles more. I agree with the hon. member for Cariboo (Mr. Fraser) that the only feasible route, irrespective of what it costs, is by the Peace river pass. No one can deny that who knows the topography of the country and the direction in which the rivers run.

Surely the Alberta government has had experience enough in crossing the Peace river. When the estimate for the construction of the Edmonton, Dunvegan and British Columbia railway was before the Alberta legislature it stood at $7,000,000. Well, hon. gentlemen from that province know that up to date it has cost almost three times what the engineers estimated at the outset. I am not interested in any engineers' figures because they are no guarantee of what the ultimate cost may be. I am not familiar with British Columbia, but I have been greatly impressed by the reports of what may be accomplished by going ahead and opening up the coal mining area in the Portland canal district and the mining territory between the head of the Parsnip river and the Portland canal in a direct route from the coast to the Peace river country.

May I say that the building of the line merely from the boundary of British Columbia to the coast is not the solution of the problem? A great deal has been said about the possibility of putting new settlers in that country if you complete that piece of construction. If the logical route is chosen you would have to connect the two lines at Hudson Hope and build one hundred miles north of the Peace river. There is no very desirable territory to be opened up over that whole hundred miles, but there is territory in British Columbia favourable for settlement that the line would render accessible. That is, in addition to building the line from the boundary of British Columbia to the coast, no matter what route you choose—and I am all for the Peace river—you would have to build additional lines into Alberta before you could put new settlers on crown lands. So I say all these things need investigation. If you were to build a line from Peace river crossing to Fort Vermilion you would open up an immense territory of some 300 miles of virgin land which could be devoted to cultivation. But it requires a railway to open up that land. After the experience we have had with the Peace river country, however, I am not one of those to encourage new settlers to take up homesteads in such territories in the hope of having railways built to them. There should be some more definite assurance than the settlers got in the Peace river country before people are induced to take a chance and wait years for railway development to enable them to ship their produce. We know that grain can be grown in the Peace river district. The Lawrences have been established for years and have been growing and milling grain, selling it to newcomers, in a district 300 miles north of Peace river. But these territories would all have to be opened up by rail.

I welcome the suggestion that a thorough investigation of the whole matter should be made before we plunge into an expenditure of thirty or forty million dollars, for it would mean that much; although, let me add, the district is worth that expenditure. When the railway is built there will be a period of years during which it will be neither more nor less than a colonization line, and will not pay interest on the bonded indebtedness. My hon. friend has pointed to the two existing railways. The Edmonton-Dunvegan, I would remind the House, is a heavy burden on the people of Alberta who have to carry the bonded indebtedness of this line, because it has done little so far besides paying operating and maintenance expenses. The Canadian Pacific, when the new lease was suggested, offered fifty or sixty thousand dollars towards the carrying charges of the bonded indebtedness, and inasmuch as they operated the line for five years they should have been in a favourable position to estimate what the road would be worth. The line to Obed, in my opinion, will be no solution, for the reason that it simply taps one corner of the Grande Prairie country and lines would have to be built across the Peace river to connect the north country with it. More than that, it

would result in a cut-up that would absolutely kill the usefulness of 300 miles of the Edmonton-Dunvegan railway, and that is not to be desired by the people of Alberta.

I think a great deal more information is required if we are to come to a wise decision on this question. I am not one of those who are prepared to stand up and say that it will cost a small sum to open up the Peace river country. I do not think it will be inexpensive. I believe that at the earliest possible moment at which there is reasonable hope of providing an outlet the road should be built, but I am not ready to suggest that it should be this year. In fairness to the House we ought to recognize that the question involves far more than the mere construction of a line from the Peace river country to the coast. It is true we have an elevator at Prince Rupert, and I am pleased to learn that such a large volume of grain has passed through it. It has warranted its construction and the whole northern portion of Alberta is now producing well and will increase in production in the future by leaps and bounds, so that all these elevators on the coast will have been justified. I would point out to my hon. friend from Vancouver Centre (Mr. Stevens), that during the past two or three years little or no grain has passed through any portion of northern Alberta to Fort William. It is practically all routed to the coast, and will continue to be so shipped unless an embargo is put on to prevent the shipment of grain through the elevator at Prince Rupert.

No matter how much relief we are able to give the settlers in Peace river in the transportation of their grain by way of Edmonton they will always be under a handicap until an outlet is provided, for it is not possible to obviate that 400 miles of haulage, and the settlers will always suffer disabilities in that respect. I say, therefore, that if we are to undertake this project we should do so with our eyes open, fully realizing what it will cost. Even if it takes $40,000,000, the expenditure ultimately will be warranted, but it is idle to suggest that $30,000,000 will suffice. That is entirely out of the question. And further, if we are to place any considerable number of settlers on the land there it will mean additions to already existing branch lines.

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

Hon. J. H. KING (Minister of Health and Soldiers' Civil Re-establishment): Mr. Speaker, I would like to make a few remarks on this very important resolution, and first I would like to commend the hon. member for Peace River (Mr. Kennedy) for having brought it before the House. He seemed to base his remarks on statements made at public meetings by the right hon. Prime Minister and the late Prime Minister, Mr. Meighen, when they suggested that the construction of a railway into the Peace river country, giving an outlet to the Pacific coast, should be undertaken forthwith. I do not think we should take exception to the remarks of either of these gentlemen, because we know they were aware of the importance of this matter not only to the people of the Peace river district but to those in Alberta and British Columbia, and its indirect importance to the people of Canada as a whole. Believing that, I think they were well within their province when they stated that as leaders of great parties they were prepared to do what was in their power to bring about the early construction of this railway.

I think we must also take into consideration the statement made by my colleague the Minister of Railways (Mr. Dunning); he was able in his address to lay before the House information secured from what might be considered the best channels available. In other words, at the conference already mentioned there were present the executives of the different railway companies, under the chairmanship of the then Minister of Railways, Right Hon. George P. Graham. In addition to Mr. Graham there were present Hon. Charles Stewart, Hon. J. H. King, Hon. John Oliver, Premier of British Columbia; Hon. H. Greenfield, Premier of Alberta; Hon. V. W. Smith, Minister of Railways and Telephones for Alberta; Sir Henry Thornton, President of the Canadian National Railways; S. J. Hungerford, Vice-President of the Canadian National Railways; C. J. Smith, executive assistant to the president of the Canadian National Railways; G. A. Bell, Deputy Minister of Railways and Canals; E. W. Beatty, President of the Canadian Pacific Railway Company; Grant Hall, Vice President of the Canadian Pacific Railway Company; D. M. Kennedy, M.P. and W. F. Maclean, M.P. The meeting was held at 2.30 o'clock on January 9, 1925, and was called at the instigation of the government then in power. It was the desire of the government at that time to try, through the medium of these railway executives, to devise a plan whereby this great section of hinterland could be served by proper railway construction, it being the hope of the government that these men, with their vast experience, could bring forth some

such plan. So far as railway construction in Canada is concerned we have arrived at the stage to-day where the executives of the two great railways must take their responsibilities in advising the government on questions of importance.

At that conference it was decided that the presidents of the railways mentioned would place their engineering staffs on a basis of mutual co-operation to solve this problem. The Minister of Railways gave the House this afternoon, briefly but concisely, the information obtained in this way, which would indicate that it is not an expenditure of $13,000,000 or $20,000,000 which will solve this problem. An expenditure of $13,000,000 would give access by one route to the main line of the Canadian National railways, what is known as the old Grand Trunk Pacific, while an expenditure of $20,000,000 would give connection down through the Peace river pass to the Canadian National railways leading to Prince Rupert and Vancouver. But as I see the situation, Mr. Speaker, that merely gives an outlet to the territory which is at present adjacent to the lines of a railway already constructed, and does not deal with the larger question of a development of the Peace river country. Instead of an expenditure of $13,000,000 or $20,000,000 I am informed by that report that to develop that great country will require an expenditure of probably $50,000,000 or $60,000,000, if the lines suggested this afternoon were followed out. Such an expenditure should not give anyone any concern if it is shown that the construction will lead to the development of that great country, because we are informed that the area there is capable of a development which will pay very handsomely for such an expenditure.

In the few moments I have at my disposal I would also like to call to the attention of the House the efforts which have been made by the people of British Columbia and Alberta, through their governments, to solve this question. We find that there has been an expenditure of some $50,000,000 by those two provincial governments representing the people of those provinces. I wish to make this suggestion to the parliament of Canada and to the railway executives of this country, that in the solution of this question, that is, of providing proper transportation facilities to that country, the efforts and the expenditures that have been made by those provincial governments with the object of bringing about what we are to-day considering, should not be lost sight of, and that if it is possible to conserve those investments to the advantage

[Mr. J. H. King.]

of the Canadian National Railway or the Canadian Pacific Railway, whichever may undertake to develop that country, such conservation should be made.

I do not think the parliament of Canada should lightly brush aside expenditures made by those provinces in connection with the object which we are now considering. There is undoubtedly a great country to be served, a country which when opened up can be served advantageously by connection with the Pacific coast ports, and the people who are so fortunate as to go into that country and receive that service will, I believe, be probably better placed than some of those who may live and reside to-day in central Canada. I know there is a tendency in other portions of the northwest and of the prairie provinces to confine our settlement operations to areas already served by rail transportation; that is, that there may be a more concentrated centering of the population in those provinces. But I am satisfied that within the very near future, with conditions improving as they are in Canada, there will be a demand, and a proper demand, made for the earliest development of this great portion of Canada known as the Peace river country.

It is not for me to discuss the pass or channel which should be chosen in order that the outlet may be had. I was pleased to hear my colleague the Minister of the Interior (Mr. Stewart) this afternoon confirm the suggestion made by the hon. member for Cariboo (Mr. Fraser) that in his opinion—which should be worth something to members of this House because he has had large experience in the province of Alberta; probably no member has a larger knowledge than he has of that great country in the north—the Peace River pass, even though it may cost $7,000,000 or $8,000,000 more than the pass first mentioned, is undoubtedly one that should be considered in the development of that district. He also threw out the suggestion that it might be eventually found advisable to extend the line, not to the south, but directly west to the Portland canal or what is known as the Stewart terminus. That is a matter that should certainly receive our consideration and be thoroughly canvassed before parliament makes up its mind as to what developments should take place in that country. With the consent of my confrere the Minister of Railways (Mr. Dunning), I am going to suggest that we follow the suggestion of the hon. member for Vancouver Centre (Mr. Stevens), and rather than place this resolution to the view of the House at the present time, refer the matter to the committee on railways. Was that the one?

Mr. DUNNING: The suggestion was the special committee. I would prefer the standing committee on railways and canals.

Mr. KING (Kootenay): The minister says he would prefer the standing committee on railways and canals. That would meet with my approval, and I hope the hon. member for Peace River (Mr. Kennedy) will see the wisdom of that suggestion, because it will enable hon. members to secure further information on the subject; and it will be possible for them to call before the committee the various railway authorities and enable us to develop to a greater degree the knowledge that we have in regard to this important question.

Hon. HUGH GUTHRIE (Leader of the Opposition): Mr. Speaker, as the discussion upon this important question has proceeded in this chamber to-day, it is evident that the government is now inclined to appreciate the seriousness of the subject far more than it was at the outset of the debate. I remember that the Minister of Railways (Mr. Dunning) concluded his remarks this afternoon by stating that if this matter were pressed to a division he would be compelled reluctantly to vote against it. I am glad to congratulate the government that they have now had new light upon the subject. The speeches this afternoon of members of this House coming from the district more particularly affected by this motion have been to my mind most convincing. I confess that I am not as familiar with the geography of the Peace river district as some hon. members are, but at the same time I have a fair idea of it. After hearing the statements as presented in this chamber this afternoon I am convinced that we have before us a very important question which should be settled in the near future.

The Minister of Health (Mr. King) commenced his remarks by saying that the hon. member for Peace River (Mr. Kennedy) must have received some inspiration from speeches made in regard to this proposed development by the present Prime Minister of Canada (Mr. Mackenzie King) and from speeches made by the former Prime Minister of Canada during the election contest. I gathered that both of those right hon. gentlemen in those pre-election utterances committed themselves in regard to these various projects. The Minister of Health seems to draw a sharp distinction between a commitment made by the Prime Minister of this country in an election proceeding and a commitment made at any other time. A commitment made by a Prime Minister in the course of an election is of the most sacred character. If the present Prime Minister promised during the last or the preceding election to go ahead with the construction of this railway, the government is morally bound to proceed with it, and this House will not accept an explanation by the Minister of Railways, or the Minister of the Interior, or the Minister of Health, because they cannot explain away what was a clear commitment on the part of the head of the government of this country Had the Right Hon. Arthur Meighen been returned to power the promise would have been made good.

Some hon. MEMBERS: Oh, oh.

Mr. GUTHRIE: But when we speak of a promise made by a Prime Minister on the other side of the House, his colleagues laugh; they treat it as a joke. One of the most serious criticisms that can be levelled against this government for the last six years is that they have always been inclined to treat their promises somewhat lightly, and this is just another evidence of their weakness in that respect. This report, I am told, came out immediately before the last election campaign. I do not know whether it was made prominent during the campaign or not, but this I do know, that the Minister of Railways and his colleagues this afternoon have pointed out that this railway construction into this wonderful portion of the Dominion of Canada which awaits development would cost the country approximately $13,000,000. That is one aspect of it only. That would give that country a railway connection with the present Canadian National system. Go a step further, and the expenditure of $20,000,000 would take the traffic through the Peace river pass, connect up with the Canadian National, and on to Prince Rupert and the Pacific ocean. My hon. friend the Minister of Health (Mr. King) goes further than that. He looks upon the completion of this great work as something that will ultimately have to be undertaken. If we go ahead with the project at all, it may in the end cost forty or fifty or sixty million dollars—that is, for a completed railway system through the Peace river district to the coast.

Mr. DUNNING: Eighty-one million dollars.

Mr. GUTHRIE: That is the maximum of expenditure. That is not a matter to be undertaken at a single jump. It will have to be undertaken as occasion requires, but the start should be made now, and a very substantial start; and very substantial relief may be given by the expenditure either of $13,000,000 or of $20,000,000. We do not seem to

have any very great difficulty in financing railway projects in other parts of Canada. We seem to be able to get three or four or five million dollars to build hotels for our railway system either in Paris or at Vancouver or some other point in Canada. It seems to give us no trouble whatever to do that. If we want eight or ten or twelve million dollars to improve our transportation facilities by way of developing harbours and building canals, we have no trouble whatever in getting the money. Now, what does this particular project, putting it at $20,000,000 as a maximum for the present, involve? It involves a loan of $20,000,000. Assuming the rate of interest to be five per cent, that is $1,000,000 a year. That is the total burden to this Dominion in respect of this development, and if the stories we have heard this afternoon and on other occasions of the wonderful possibilities of the Peace river district are true only to the extent of twenty-five per cent of the statements made, then the investment is a justifiable investment, one which the government should undertake in the interests of Canada and undertake at the present session, on account of the pledge of the Prime Minister of this country that it would be done.

I am glad, however, that the ministers have seen some new light during the course of the afternoon. They do not want this question to come to a vote now. My hon. friend the Minister of Railways is reluctant to condemn this project by a vote now. The government seem to think perhaps they can shelve the matter better by allowing it to come before a select or a special committee of this House. I am not opposing the suggestion.

Mr. DUNNING: Surely my hon. friend understands that the suggestion came from his own colleague.

Mr. GUTHRIE: I know where it came from; most good suggestions do come from this side of the House. I am not opposed to the suggestion, but I think the duty of the government and the duty of the Minister of Railways in this instance is to come to parliament and say: Yes, the Prime Minister of Canada did pledge the construction of this railway prior to the last election, and we are here to carry out that pledge.

These are the only remarks I have to make, Mr. Speaker, upon the subject. I think when the matter comes to the committee such a case will be made that the government will not be able to resist this construction that is demanded in the interests of the whole country—a work that should be proceeded with, with as little delay as possible.

[Mr. Guthrie.]

Mr. D. M. KENNEDY (Peace River): Lest I forget, let me say at once that I agree with the suggestion that this matter be referred to the railway committee. I am inclined to that view because of the fact that there is a mass of evidence even in this report itself, a lot of which I cannot agree with, and which I should like to thresh out with the engineers as well as some others.

I am exceedingly gratified by the reception of this motion this afternoon. There are, however, a few things I wish to deal with, and I shall be as brief as possible because of the fact that we seem to be agreed on sending it to the committee.

The present Peace river country, the producing part of the country, consists of Grande Prairie, Pouce Coupe, the Spirit river settlement north of the Peace, and the High Prairie settlement. The Grande Prairie settlement needs approximately another fifty miles of railway to give it a branch line service. North of the Peace, where I live, another fifteen miles of branch railway is required, and I submit that if this mileage is built, with an additional fifteen or twenty miles into the Pouce Coupe district, which is a thickly settled farming area, you would have sufficient territory to feed the main line running to the Pacific coast and also the Edmonton, Dunvegan and British Columbia railway. The constituency of my hon. friend from Macleod (Mr. Coote) is not any bigger than the Grande Prairie district alone, and it is less than half of the district to which I have referred. It is not any richer in soil, and does not get any more moisture, and yet it has produced in one year 15,000,000 bushels of wheat.

I think this report of the engineers is unfair because of the fact that they have taken possibly the worst five years in the history of Canada, when the Peace river country was developing, from 1919 to 1924. That was just before the Peace river country got into its stride so far as development is concerned. They have calculated that in these five years the average export tonnage would be approximately 35,000 tons. But they also say that the only thing to consider in estimating the cost of a road to the Pacific coast would be farm produce, for various reasons. Now the total tonnage of the Edmonton, Dunvegan and British Columbia railway in that year, and three-quarters of that is accounted for by Peace river, actually comes very close to 175,000 tons, whereas the engineers figured that the maximum tonnage at that time would average only around 35,000 tons.

Mr. DUNNING: No, 48,000 tons.

Mr. KENNEDY: They credited 35,000 tons to the Peace river country.

Mr. DUNNING: It is on page 13 of the report.

Mr. KENNEDY: Page 25 says, "Present, 35,000 tons; initial, 175,000 tons." The total amount of grain handled over the Edmonton, Dunvegan and British Columbia railway from 1919 onward, and three-quarters of that was from the Peace river country, was as follows:

Year	Tons
1919	41,000
1920	49,000
1921	45,000
1922	68,000
1923	60,000
1924	96,000
1925	89,000
1926 (11 months)	91,000

Those are the figures of the Bureau of Statistics. The grain tonnage handled by the Edmonton, Dunvegan and British Columbia Railway—and this is chiefly tonnage from the Peace river district—ran from 41,000 tons in the year 1919 to 91,000 in 1926. The total revenue tonnage was 155,000 and in eleven months of 1926 it ran to 237,000. That is the basis of my contention that this report is not doing the Peace river country justice, and I do not think the engineers will contend that their prophecy so far as the Peace river country is concerned was optimistic enough. These engineers were sent up to find out the best route for the development of the Peace river country. They have said that the Obed route is the best route of all. The Minister of the Interior this afternoon said that the Stewart route was the proper route; therefore, we require further investigation, and when that investigation is completed, why, $50,000,000 or $70,000,000 will not be too great an expenditure for the development of Peace River. It is all very well to want facts, but surely we have already some facts on which to proceed. I do not want to see this thing go on as the Hudson Bay railway has been going—as a negro said, "Vestigate, and vestigate and never do anything." I think to-day we have a report on which action might be taken. I doubt very much if the Stewart route is superior to the Monkman route, because the Monkman route, depending on which point you take, cuts off from one hundred to six hundred miles between the central points of the various zones of the Peace river country and Prince Rupert and Vancouver as compared with the present route. The straight line mileage from any point you like in the Peace river country to Stewart is just about seventy-five miles shorter than the straight line to Prince Rupert, and unless there is something in British Columbia to call for the extra mileage, a new line north of the present Canadian National, I doubt very much whether there would be any justification for building another line there at the present time, moreover, I think it would mean an indefinitely long delay.

So far as the Obed route is concerned, there is a little difficulty in connection with the report. The report says that if you build the line from Aggie on the Edmonton, Dunvegan and British Columbia Railway it will cost $13,000,000, but to complete that route another sixty mile branch from Grande Prairie across the Smoky river, is required, and that will run the cost of the 250 or 260 miles up as high as the 168 miles of the line through the Monkman pass to whatever point in British Columbia the line touches the Grand Trunk. This estimate is $16,000,000.

Regarding the north side of the Peace, there will have to be another railway built some day, just as the Edmonton-Dunvegan had to be built from McLennan, in two sections, one serving Spirit river and Grande Prairie, and the other going up to Peace River and Whitelaw. Any railway from the west will also require two branches from Hudson Hope eastward, one running north of the Peace river and one south.

I am willing that this resolution should be referred, with the evidence we have in the matter, to the standing committee on railways and canals, and of course we hope that the matter will be taken up by the House when the committee reports and that we will get somewhere with the matter then. If the motion is not referred to the committee, my purpose is of course to press the matter to a vote.

Mr. SPEAKER: I understand the hon. gentleman consents to the reference to the standing committee on railways and canals.

Mr. KENNEDY: Yes.

Mr. SPEAKER: The hon. gentleman cannot amend his own motion, so that the hon. member for Acadia (Mr. Gardiner) or some other member will have to move, seconded by the hon. member for Mackenzie (Mr. Campbell), that the following words be added at the end of the resolution:

And that the matter be referred to the select standing committee on railways and canals.

Mr. DUNNING: Is that a proper motion to be placed at the end of a main motion?

Mr. GARLAND (Bow River): Would it not be proper for the hon. Minister of Railways to move the amendment himself?

Mr. SPEAKER: He has already spoken.

Mr. DUNNING: I am willing to do it but I cannot.

Mr. GARLAND (Bow River): Could we not get the support of one member of the government?

Mr. LAPOINTE: I am quite willing to move it.

Mr. SPEAKER: The motion is:

That, in the opinion of this House, the time has arrived for the commencement forthwith and the completion in the near future of a direct railway outlet from the Peace River country to the Pacific coast and that this matter be referred to the select standing committee on railways and canals.

Instead of the word "and" we might substitute the word "but"—but that this matter be referred to the committee on railways and canals.

Mr. DUNNING: As I understand the language the House would be committed nevertheless to the comencement forthwith of the work, and I certainly do not want to be committed to the commencement forthwith of this work. I cannot see my way clear, as Minister of Railways, to recommend it to the House just now.

Mr. SPEAKER: My understanding of the motion as altered by the amendment is that the House is not committed, but that the whole question is referred to the standing committee on railways and canals.

Mr. J. J. DENIS (Joliette): I for one am absolutely against this resolution if it means that the House is to be committed to the terms of the resolution. With all due respect for your ruling, Mr. Speaker, unless your ruling stands in the place of the resolution itself I cannot support it. If the House passes this resolution now it puts itself on record as in favour of the terms of it. The amendment has only the effect of adding to the resolution. The resolution remains for the time being and the committee will proceed immediately to examine it. When it goes to the committee, the committee will deal with a resolution which has already been agreed to by the House. As I understand it, that is not what the Minister of Railways wants; therefore, I object to the resolution as drafted.

Mr. GARLAND (Bow River): I understand Your Honour gave a ruling a moment ago that this resolution itself was being sent to the committee for their consideration, not necessarily with the approval of the House but in order that the committee might have something to work on.

Mr. SPEAKER: This motion expresses only a pious wish. With the amendment, the House now directs that nothing shall be done in connection with the motion until the select standing committee on railways and canals has studied it and reported thereon.

Mr. LAPOINTE: Still, Mr. Speaker, even a pious wish may be more than what the House intended. Would it not be better to put it in this form?

That in the opinion of this House the select standing committee on railways and canals should consider whether the time has arrived, and so forth, and that this resolution be referred to it.

Mr. SPEAKER: Will the hon. minister kindly draft his motion?

Mr. COOTE: Mr. Speaker, I can remember several occasions when resolutions of this nature have been referred to select standing committees or to special committees in terms identical with those of the amendment now before the House. The question has never been raised heretofore that the House was thereupon committed to the principle of the resolution. I think we shall be adopting the usual procedure if we alow the resolution as amended to pass.

Mr. BOURASSA: Mr. Speaker, I am not prepared to give to a committee the right to state that it has more judgment than the whole House. It may be that it has; I am not quite sure that numbers make for quality. I understand that the motion, if amended as proposed, would simply mean that the committee would study the whole question and report to the House, leaving it to the House to decide on the merits. I for one am prepared to use what little judgment I have, but I am not prepared to give a power of attorney to fifteen or twenty other gentlemen to decide what my judgment should be.

Mr. LAPOINTE: Mr. Speaker, so long as everyone considers that this is not committing the House to the principle of the resolution I do not see any objection to the motion as amended.

Mr. SPEAKER: No resolution can commit the House of Commons to any expenditure except through the instrumentality of the crown. As I said before, it is simply a pious wish. The resolution has been discussed by the House and is now merely referred to the select standing committee on railways and

canals, whose duty it will be to report to the House after having carefully examined the subject matter of the resolution. Is it the pleasure of the House to adopt the motion as amended?

Some hon. MEMBERS: Carried.

Motion agreed to.

DISSOLUTION OF PARLIAMENT

PROPOSED VOTE OF HOUSE WHEN PRIOR TO EXPIRATION OF TERM

Mr. A. M. CARMICHAEL (Kindersley) moved:

That, in the opinion of this House, no government should have the right to ask for a dissolution of parliament prior to completing the five-year term as provided in the British North America Act except when authorized to do so by a majority vote of the House.

He said: Mr. Speaker, we have had a very pleasant and profitable trip through the Peace river country, viewing the scenery and considering the possibilities of that section of the Dominion. The purpose of this resolution is to bring us back into this chamber to consider some of our proceedings here.

The resolution as worded would seem to be quite orthodox in some respects. That is, it asks for the opinion of this House; it also hints that something should be done by means of a majority vote. There is, of course, a feature of the resolution that might be looked upon by some as altogether unorthodox, in that it brings before us for consideration a certain point of procedure that has not been practised hitherto. But I am not so sure that that should cause any consternation among hon. gentlemen. In fact, Mr. Speaker, it is not so very long since this House adopted a procedure at variance with a long-established custom in this House. At the very opening of this present session the House agreed to violate an established tradition in selecting its Speaker, that it has observed since confederation. It has been the well-established custom in choosing the Speaker of this House to alternate between representatives of the two dominant races in this country, the English and the French. None of us felt very badly over the breaking of that old established custom; indeed we were all quite satisfied to have Your Honour occupy the position for the third consecutive parliament. So that if we violate an old established tradition by adopting this resolution it may cause no more consternation than our departure from precedent at the opening of this parliament.

I purpose considering this resolution in the light of the practice followed in the mother parliament as well as in this parliament. As hon. members are aware, there is a marked similarity between the Canadian and the British form of government; in fact, they are so nearly akin that one may be said to have been copied almost entirely from the other. In Great Britain parliament is composed of the crown, represented by the King or Queen, and by the two houses of parliament, the Commons and the Lords. Our parliament is much along the same lines, the crown being represented by the governor general and the two houses of parliament by the Commons and the Senate. In the Imperial parliament we have what might be termed two arms, the executive and the legislative, the executive arm being represented by the crown on the one hand through the king in council, and the legislative by parliament. Similarly, we have the two arms of government, the executive represented by the crown through the governor in council, and the legislative by parliament.

Looking first at the British form of government, it is what is known as a limited monarchy. It was not always so. Let me go back a few hundred years in order to establish the fact in our minds that there has been a gradual and noticeable change in the power and prerogatives of the British sovereign. Going back to the time of William the Conqueror, starting with the year 1085, we find that the crown at that time was almost absolute. In fact, the sovereign of that day had assumed the role of practically an absolute monarch in his ruling powers. Then, proceeding for a period of about one hundred and thirty years, up to the time of King John, the crown continued to exercise a very considerable power. But we know that in the year 1215 the people, as represented in what might be termed parliament, made demands upon King John and secured from an unwilling sovereign certain rights embodied in what we know as the Magna Charta. These rights may be said to have formed the foundation of British parliamentary government in Britain. Following that period, up to about 1485, the crown was more or less arbitrary in the exercise of its power. It seemed to assert itself and to predominate over the rights of the people as represented in parliament. Under the house of Tudor, from 1485 until the year 1603, the crown continued to hold great power. As a matter of fact, in Henry VIII we find an almost absolute monarch of the type of William the Conqueror. Under the Stuarts, however, from 1603 to 1688 parliament made great constitutional progress. In the latter year the people, through their representatives in par-

liament, drew up a declaration of rights which may be said to have inaugurated the prerogative of parliament and to have asserted the rights of that body over the crown.

The constitution of Britain now is not only that of a limited monarchy; it is largely an unwritten constitution. Now, this is quite in contrast with the situation that exists, for example, in the country to the south of us where we find a written constitution. When we speak of the British constitution being unwritten we mean that certain traditions are followed and certain practices established apart from any direct written authority. These traditions and precedents have come down to us and we have heard them referred to in this chamber quite often as established practices followed by the mother of parliaments.

In the British government the power is vested nominally in the crown, but that power is delegated practically to the cabinet. The power of the crown virtually rests in the cabinet, which is a committee of the legislative body. The cabinet is nominated by the crown. That is to say, the prime minister is nominated by the king and the cabinet by the prime minister in conjunction with the crown. It is safe, therefore, to say that the cabinet is nominated by the crown although dependent for its support upon parliament. In Britain the cabinet has the power of advising the dissolution of the assembly which it represents. The prime minister is, of course, the spokesman for the cabinet. There is a fine point here as to whether the prime minister has the absolute right to go to the crown and ask for a dissolution of parliament regardless of the wishes of his cabinet. It may be conceded that he has that right; I am not prepared to argue the point. Whether he has it or not, however, is a question that does not relate to this resolution now before the House. But it is a recognized fact that the prime minister has no legal primacy over the members of the cabinet. In fact it is only a matter of less than fifty years ago since the term "prime minister" was first used in any European document. In 1878 the term was first recognized in Britain, and it is only about twenty-two years now since the official precedence of the prime minister was first established in Britain.

As regards the power of the cabinet in the advising of a dissolution I purpose tracing in short form what has actually happened in Britain in the last twenty years. Let us take the history of the British parliament since the year 1906 up to the present date. We find that on February 13, 1906, parliament met, dissolving on January 10, 1910, after an existence of three years, eleven months and twenty-four days, notwithstanding that the statutes of Great Britain call for a parliament of five years as a maximum. The next parliament assembled on February 15, 1910, was dissolved on November 28, 1910, having lasted nine months and thirteen days. The next one was called on January 31, 1911, and lasted until November 25, 1918, having been in existence for a period of seven years, nine months and twenty-five days. That was of course the war parliament, and that accounts for its having extended its life beyond the five year period. The next parliament was called on February 4, 1919, and was dissolved on October 26, 1922, so that it lasted for a period of three years, eight months and twenty-two days. The next one was called on November 20, 1922, and dissolved on November 16, 1923, after having sat for eleven months and twenty-seven days. The next parliament met on January 8, 1924; on October 9, 1924, it was dissolved, so that its life had not been more than nine months and one day. And the present parliament was called on December 2, 1924.

So that in a period of twenty years in Great Britain there have been seven parliaments, although the Parliament Act of 1911 stipulated that parliament should last for a period of five years. If we deduct the length of the parliament that carried on during the war, which existed altogether for seven years, almost eight years, we find that there have been six parliaments in the old land within a period of about twelve years, with an average life of two years each. One of these parliaments lasted only nine months and one day, while three of them existed for less than a year. This demonstrates the fact that, because of the power resting in the cabinet to dissolve parliament, the life of the legislative body is precarious indeed, and may be terminated at any time. In the old country, as we see, there have been a number of parliaments of very short duration.

I have not inquired into the cause of dissolution of each individual parliament, with a view to ascertaining whether in any case it was necessary or not; I was not particularly concerned with that point. What I wished to show was that under the British constitution parliaments have been rather short, three of them having been exceptionally so. This is a matter which might be regarded by some people as of little consequence, but when we consider the expenses inseparable from a general election in a country like Great Britain we are bound to concede, I think, that it is of considerable moment. The expense of general elections, holding them every two

years rather than every five years, is quite a strain on the country. Under the British constitution the sovereign can dissolve parliament at his will, and no parliament can be assembled, prorogued, or dissolved without his express command. This resolution does not propose to invade that territory at all; the sovereign has that prerogative and so far as this resolution goes he has a perfect right to keep it.

Now let us look at our Canadian constitution for a short time. Without going into Canadian history too deeply, we should remind ourselves that here has been a struggle in Canada for constitutional reform and liberty and responsible government almost on a par with that in the old country. If we take the period of Canadian history from its earliest time up to the present we see that there has been quite a continuous struggle for responsible, representative government. In our early days we had a period of military government, almost a despotic government similar to the early days of British history, gradually the parliamentary institutions gained under such measures as the Quebec Act of 1774 and the Constitutional Act of 1791, but even these measures did not bring to the people all they wished. As a result in 1837 we had quite a decided uprising in both Upper and Lower Canada in favour of responsible government. The Act of Union of 1840 brought us a little further on the way, and then in 1867 the British North America Act was passed, of which I am sure we have all heard many times.

The British North America Act is supposed to be the great act upon which our constitution is based, and we are continually referred to that act as embodying certain rights and certain privileges which we hold and cherish very dearly. In section 50 of that act we have these words:

> Every House of Commons shall continue for five years from the day of the return of the writs for choosing the House (subject to be sooner dissolved by the Governor general), and no longer.

That is one part of the British North America Act which we wish to consider more particularly. Provision is made that parliament shall last for a period of five years, unless sooner dissolved by the Governor General. You will notice that the act does not say "Governor General in Council"; it is the crown. That is, in Canada as in Great Britain, the crown has the right to dissolve parliament. I believe that is what was intended at the Imperial conference of 1926, since on page 14 of the proceedings we find these words:

> In our opinion it is an essential consequence of the equality of status existing among the members of the British Commonwealth of Nations, that the Governor General of a dominion is the representative of the crown, holding in all essential respects the same position in relation to the administration of public affairs in the dominion as is held by His Majesty the King in Great Britain—

Therefore it would appear to be the sense of the Imperial conference that the Governor General is the representative of the crown, and as such he has the prerogative of dissolving the House. This resolution does not aim at taking away any such powers from the Governor General of Canada; there is no hint that that should be done. This resolution states that no government should have the right to ask for dissolution; in other words, the House of Commons should be supreme in these matters.

If we look at our Dominion parliaments since confederation we find quite a variation in their duration. From July 1, 1867, up to and including this present parliament, a period of sixty years, we have had sixteen instead of twelve parliaments, and during that time at least one of our parliaments extended over the five year period, while a great many did not last that long. I have a list here showing the duration of the different parliaments; they vary from ten months to six years, two months and seven days. I will not take time to read the list, but I will insert it in Hansard as I have it. It is as follows:

Dominion Parliaments since 1867

			Years	Months	Days
1.	From July 1, 1867,	to July 8, 1872	5		7
2.		to Jan. 2, 1874	1	5	25
3.		to Aug. 9, 1878	4	7	7
4.		to May 18, 1882	3	8	9
5.		to Jan. 15, 1887	4	7	28
6.		to Feb. 3, 1891	4	..	19
7.		to April 24, 1896	5	2	21
8.		to Oct. 9, 1900	4	5	15
9.		to Sept. 29, 1904	3	11	20
10.		to Sept. 17, 1908	3	11	19
11.		to July 29, 1911	2	10	12
12.	(War)	to Oct. 6, 1917	6	2	7
13.		to Oct. 4, 1921	3	11	28
14.		to Sept. 5, 1925	3	11	1
15.		to July 2, 1926	(About 10 months)		
16.	Present parliament.				

I would point out, however, that the last parliament began on September 5, 1925, and lasted until July, 1926, a period of about ten months. I do not propose to go into the whys and wherefores of the dissolutions of our Canadian parliaments; some hon. members might consider a dissolution justifiable, while others might think to the contrary. I simply point out the actual situation, that our parliament is dissolved prior to the completion of the term provided for in the act which is the foundation of our constitution.

It must be remembered also that dissolution takes place because a committee of this House decides that it should be done. It may be that the Prime Minister of himself has that prerogative; I am not prepared to argue that, but I hardly think the present Prime Minister has ever asked for dissolution without consulting his colleagues in the government. If he has done so he has done with his colleagues what he has not generally done in this House; for he has usually consulted the members of this House to ascertain the best procedure. Last session, of course, found us in a very unusual situation. We had a governing body without a majority in the House, and perhaps that has given rise to what might be termed a need for such a provision as that provided by this resolution. That is, where there is a government without a majority in the House it is an altogether different situation from a government with a strong following. I am prepared to grant that if the government had a following of two-thirds of the House, this resolution would not have so much force or effect, because such a government could easily carry a resolution to dissolve parliament. But when we have, as we had last session, a group carrying on which is less than one-half of the total membership of the House, the situation is quite different. Their legislation is brought in ordinarily with a sort of club held over their own following, and indeed in the last parliament held over some of the independent members, in that if legislation were not accepted, the government would dissolve the House and go to the country. That is rather an unfortunate situation.

Many hon. members, at least the independent members in this House, are more concerned about legislation than about dissolution or general elections, although none of us is so very anxious for a dissolution right away. We have had to run enough elections in the recent past to last us for a few years to come. We are more concerned about legislation, and we would like to consider legislation on its merits. When a legislative program is brought in or when a particular legislative proposal is made before the House, we do not like to have that club held over us—you have to support the government or you will defeat the government, and if you defeat the government, that means another general election. That was the situation in the last parliament and I am not so sure that we are very far removed from it in this parliament. Oh, yes, we have a large number of members sitting on the other side of the chamber, but there is a ribbonlike row extending along there with a double row of defence ahead of them and a double row of defence behind them, and I am not so sure that row is one hundred per cent affiliated with the Liberal party. In fact, if we are to take at face value a statement that was made in this House in the early part of the session, the group to which I refer, strung along in that ribbonlike fashion, is organized as a separate entity with a chairman and a secretary and does not meet with the Liberal party in caucus. That situation has a very serious aspect. It means that the Liberal party has not a majority in the House, notwithstanding the fact that the press of this country has tried to lead us to believe that we now have stable government. I am not so sure that it is any more stable than it was in the last parliament, except that there are a few more to tend toward stability, but not enough to make it stable. That being the case, it is easy to conceive that during this very session of parliament legislation may be brought forward which will make it very unprofitable for some of that ribbonlike row in the centre of the group opposite us.

An hon. MEMBER: The thin red line.

Mr. CARMICHAEL: The thin red line, somebody says. For instance, we might mention the maritime report. If that should be implemented by legislation embodying all the recommendations contained therein, I am not so sure that some hon. members across the way will not have to think two or three times as to what they should do. That is, if the government prepares to implement one hundred per cent of the maritimes report, the question will be: Must I take it all or stand for the defeat of my government? That is not a very satisfactory situation for an independent member. It is an excellent thing for the party man, the man who thinks of party ahead of legislation, or ahead of the country he represents; but it is not the ideal situation, and as independent members in this House we are prepared to protest against such a situation. We claim that legislation should be brought in, of course on the initiative of the government;

that each legislative proposal should be considered on its merits, should stand on its own feet, should be voted on as to whether it is wise or not, and that the question of dissolution should be considered by itself.

I am going to try to curtail my remarks so that I shall not transgress the proposed recommendations in connection with the rules of the House. I am watching the clock and I intend to try to stay within the proposed rule of not speaking too long. This resolution leaves the five-year term as it is in the British North America Act and the expiration of that five year term brings about dissolution. The Governor General, if I understand the statute correctly, may order dissolution at any time. This resolution does not change that provision.

Mr. BOURASSA: Upon advice of the government, of course.

Mr. CARMICHAEL: I understand that the Governor General may order dissolution without the advice of the government.

Mr. BOURASSA: That is fifty years old.

Mr. CARMICHAEL: I am not going to go into that or argue it, but my understanding of the British practice and the British North America Act, as outlined in section 50, is as I have stated.

Mr. BOURASSA: In letter but not in spirit.

Mr. CARMICHAEL: The House is subject to be dissolved by the Governor General, not by the Governor General in council. The crown in Britain has that right to dissolve parliament at its will, and we are not arguing that the crown in Canada has not also that right. I am prepared to grant that that right exists and perhaps should exist. I am not prepared to argue the matter. The resolution also provides that a majority of this House may dissolve parliament. Thus we have three very feasible ways of bringing about dissolution.

Mr. CAMPBELL: Is it not a fact that in 1914 or 1915, I am not sure which, the Lieutenant Governor of Manitoba dissolved the legislature against the wishes of the government, against the wishes of the legislature?

Mr. CARMICHAEL: That might be true. I would not dispute it. Not being a resident of Manitoba I cannot grant that it is correct, but I am prepared to admit that such power rests in the hands of a lieutenant governor as well as in the hands of a governor general.

Mr. WARD: What the hon. member for Mackenzie (Mr. Campbell) says about the situation in Manitoba is correct. The Lieutenant Governor did dissolve the legislature against the wishes of the government then in power.

Mr. CARMICHAEL: I am thankful for the help of the thin red line across the way. Another reason why it seems very necessary that some such provision as this should be made against dissolution is the fact that whatever party is in power, I care not whether it is the Liberal party or the Conservative party, there is a tendency on the part of such party to bring about dissolution at a very opportune time for that party, and the legislative program is shaped largely with that thought in view. Now we are going to go to the country and we must get a program that will appeal to the people. I am not going to say that that was what done last year. I do not know whether it was or not. I know the program was very appealing, but I am not going to say that that program was provided especially for going to the country on, but it does often happen that a government brings in a program that is especially appealing, and without any particular desire to get that program enacted into statutory legislation, they hie themselves to the country at their own sweet will and pleasure and bring on a general election, knowing that such a program will work in their own best interests. Mr. Speaker, such is not in the best interests of this country or of any other country. The expenses of a general election are no inconsiderable sum. The country is put to a great deal of expense, and individual members are put to a great deal of expense; business conditions are disrupted from one end of the country to the other, and on the whole a general election has a disturbing effect on the whole country.

I commend this resolution to this Chamber. I submit, Mr. Speaker, that this House of Commons should be supreme in the matter of dissolution. No Prime Minister, and no cabinet, which is simply a body representing this chamber, should have the prerogative of going to His Excellency prior to the completion of the necessary five year term and saying: We must dissolve parliament. The cabinet is but a committee of this House, and, if you please, I would like to consider them as the servants of this House. That may not be a very dignified term to apply to them, but this House itself is but the servant of the nine million people of the Dominion of Canada. The electors in general of Canada send 245 members to this House to do their business as their servants. We in this House look to our cabinet of some eighteen or more members to be

our servants to carry on the business of legislation, and it seems to me that it is not very appropriate for those who are the servants of the House to decide in their own councils that they are going to carry out a certain line of procedure in regard to dissolution. Such procedure should be referred to the full membership of this House, and the question should be decided by the House. If the government is strong and has a large number of followers in the House, their will can easily be carried at any time they wish. But the situation that existed in the last parliament, and exists in this so far as membership and groups are concerned, is altogether different from the condition that prevailed some years ago, and one that is going to exist for a few years to come. We are not going to get rid of the independent groups in this House just because some party men would like to get rid of them; they are here to-day and will be here for some time. In fact, if we compare the membership of the independent groups this year with last, counting the thin red line as being an independent group, we have more members in the independent ranks this year than last. There has been quite a gain. I believe last year we had something like twenty-six, while this year we have thirty-one or thirty-two members altogether in the independent groups. So the independent groups are not dying out and that has given rise to a situation altogether different from what we had in this country sixty or a hundred years ago. The need, therefore, is apparent for considering the present situation.

I commend this resolution to the House. I am quite sure that if adopted it will not disturb our equilibrium in this chamber any more than the breaking of the old tradition of electing our Speaker. I am quite sure, too, that the adoption of this resolution will not disturb business conditions throughout the country or impede the wheels of industry one whit. On the other hand, I am sure that it will work to considerable advantage in the future.

Hon. ERNEST LAPOINTE (Minister of Justice): Mr. Speaker, the subject matter of this resolution is indeed a very important one, and I am pleased to congratulate my hon. friend from Kindersley (Mr. Carmichael) on the way he has dealt with it. He has made a very interesting speech. I am sorry, however, to be compelled to confess that he has not convinced me that the British system in this matter is wrong. Under the British constitution, and this point my hon. friend has not touched at all, the underlying principle is that the country and parliament must be in harmony; they should not be at variance. It sometimes happens—it has happened in the past both in Great Britain and in Canada—that some parliament is elected in a period of patriotic exaltation or some other feeling, and a year or two afterwards it is perceived that it does not represent the majority of the people who voted for it at the previous general election. It is necessary that at such a time a government should not be bound by a fixed rule compelling them to wait three or four more years before appealing to the people and allowing them to elect representatives who would more fairly represent the opinions and views of the majority of the people at that time.

True, as my hon. friend says, if his resolution were adopted a majority of parliament would be required before dissolution could be obtained, but that is just where the objection comes in; that is the obstacle. A House of Commons elected at a certain period would have a majority in the House to oppose dissolution later on at a time when the government considered dissolution necessary under the British constitutional system.

Mr. GARLAND (Bow River): May I ask just how my hon. friend proposes to get himself out of that extraordinary situation? Supposing a government is elected with a strong majority over all, and suppose, for the sake of his argument, that that government within two years becomes, as he says, distasteful to the people. May I ask him to proceed from that point, and let us know the next step. How are you going to get out of that situation?

Mr. LAPOINTE: It has happened in the past, and I am going to quote instances. It is easy to perceive when a parliament is no longer in harmony with the people who elected them. You can see that especially when a series of by-elections goes against the government. That happened in England during Mr. Gladstone's time, in 1873 and 1875, and Mr. Gladstone went to the country two years before the expiration of his term of office just for that very reason. I quoted some words of his in a previous debate in the parliament that expired in 1921. Mr. Gladstone went to the country because all the by-elections were going against his government. He dissolved parliament, and in the general election that followed, he was defeated by an overwhelming majority, showing that he used good judgment in advising the crown to dissolve parliament. He was blamed for doing so at the following session. One of his previous supporters moved a resolution of censure against his course in dissolving parliament before the expiration of the term,

and in reply Mr. Gladstone said—British Parliamentary Debates, 1874, page 80:

My hon. friend seems to think that there is but one important element in the position of a government, and that is the numerical amount of its majority. Now, upon that point I join issue with my hon. friend. I think he fundamentally misunderstands the constitution of this country if he supposes that the actual majority that a government may possess in an existing House of Commons is sufficient to give it more moral and political strength for the discharge of its arduous duties, after it has become apparent or when it is becoming clear that the possession of that majority is not agreeable to the sense and the convictions of the country. Now, Sir, there is the whole difference between my hon. friend and myself.

And he adds:

Because in this country we watch the signs and currents of public opinion. We recognize the general title of the country to be governed in conformity with its wishes and its intelligence; and the mere possession of a parliamentary majority, satisfactory as it is when it is a true indication of the actual current of feeling and opinion of the country, is no adequate support and no adequate warrant for the continuance of a government in office if it has become clear, or when there is reasonable ground for supposing, that the desires of the country are in an opposite direction.

In 1900 hon. gentlemen will remember that there was a khaki election. That was following the South African war, and two or three years after that election the government then in power met the same fate that the Gladstone government suffered in 1873. All the by-elections went against the government and then the opposition of that time moved that there should be a dissolution of parliament, because the majority in parliament did not any longer represent the sentiment of the country, and here is what Sir Henry Campbell Bannerman said at page 71 of the British Hansard of 1905:

It is common for us to say, and it is true constitutionally, that the minister of the crown in this country is selected and appointed because he is the man who commands a majority in the House of Commons. But what does that mean? It means that the command of the majority of the House represents the feeling of the country. The moment the House of Commons gets out of touch and harmony with the country, then that plea for retaining office dissolves; and the right hon. gentleman has no right to entrench himself behind the confidence and support of his friends here after it is known to all mankind and to himself, as well as to any of them, that he has lost the confidence of the country. When I say it is known to himself, it is obviously so, because, if he was not aware he had lost the confidence of the country, why should he show any reluctance to appeal to the country and immensely strengthen his position by securing a favourable verdict from it.

That position was also taken by Sir Edward Grey, now Viscount Grey, and it is the position also advocated by the various authors on the constitution of England, especially Anson, Dicey and Green, who are here quoted. My hon. friend says that governments should not ask for a dissolution because it is contrary to the supremacy of parliament, and his words to that effect were applauded. I believe in the supremacy of parliament, but I believe that the supremacy of the people must be above that of parliament when parliament no longer represents the majority of the views of the country. In such a case I think parliament should disappear and a new parliament should replace it which would be a mirror of the conditions of the country as they exist at the time.

Mr. CARMICHAEL: Does the minister argue that a group in this House which has less than half of the members has a better chance of rightly interpreting the opinion of nine million people than the whole membership of the House?

Mr. LAPOINTE: I believe the group in this House which can command the support of the majority of the members should carry on the government, but subject to the condition that the people are willing to have that group carry on. If the people show in an unmistakable way that this government or any other government does not any longer command the confidence of the majority of the people, I think this is a good time for a dissolution of parliament, and that we should not wait, as they do under the other system, until there has been a certain lapse of time. I do not think the American system is better than our own in that regard, and of course it is not based on the same principle. The President of the United States is elected by the direct vote of the people for a certain period of time. He is a ruler in the real sense of the word, not only in name but in fact, and it may very well happen, as it has happened in the past, that after elections, which occur in the United States every year for a certain part either of the senate or the congress, that the president does not command a majority in one or other of the houses, but the president has to carry on for the whole time for which he has been elected. Our system is quite different from that, and I do not believe it is inferior to it. I think there is a great advantage in keeping parliament and the country in harmony.

Mr. SPENCER: The hon. member for Kindersley is not advocating the American system, but simply advocating that the will of parliament be supreme.

Mr. LAPOINTE: He is not advocating it, but he says that parliament will continue for five years unless the majority in parliament decide to the contrary. I have seen occasions when something of the kind has occurred in the other country. I do not want to refer to it in Canada because those times are still too close to the present to make reference to it. But we have had the same condition here, and surely you cannot expect that the majority in parliament under those conditions would vote themselves out of parliament.

Mr. GARLAND (Bow River): Where has the hon. member proved anything.

Mr. LAPOINTE: I do not thank the hon. member for the compliment.

Mr. GARLAND (Bow River): Far be it from me to do anything but pay the most kindly compliments to a gentleman I so deeply respect, but I wish to have this cleared up. I do not wish him to leave the House under any misapprehension. He has given us the two cases, the Campbell-Bannerman and the Gladstone cases, in which two prime ministers took the initiative and invited dissolution, although they had a majority in the House. The speaker has not yet proved that they would not have had to ask for dissolution if they had sought the opinion of the House.

Mr. LAPOINTE: But they had a majority.

Mr. GARLAND (Bow River): The majority could dissolve the House. Is the minister going to impugn the motives of the British House of Commons?

Mr. LAPOINTE: My hon. friend knows that the majority in those circumstances would not vote itself out of parliament.

Mr. BIRD: I wonder if my hon. friend considered that by-elections were an unmistakable evidence that the government itself was unpopular?

Mr. LAPOINTE: When a government loses by-elections consistently in various parts of the country, I think it points that way.

Mr. BIRD: From 1874 to 1878 various by-elections went in favour of the government, and relying on this Disraeli went to the country, but he got licked.

Mr. LAPOINTE: But the fact that he was licked shows that the country was opposed to him.

Mr. CAMPBELL: Might I ask the minister another question?

[Mr. Spencer.]

Mr. SPEAKER: Order. Unless this cross-examination is discontinued I shall have to dissolve the House.

Mr. LAPOINTE: May I mention other circumstances in which I believe the present system is best? For instance, when a very important measure involving a radical change in the national policy is submitted to parliament it is important for the government of the day to have this power of appealing direct to the electorate. Take the case of the Home Rule bill introduced by Gladstone and rejected by the British parliament; was it not essential that his government should have the right to appeal from the verdict of parliament to the verdict of the people? I quote that case because Gladstone was defeated when he went to the country on it, and it shows how essential it is that a government should consult the electorate on an issue first raised in parliament and on which the electorate have not had an opportunity to pronounce judgment.

Then again, take the case of Mr. Bonar Law. My friend referred to the fact that there had been three elections in Great Britain within three years, which he thought a calamity. Why? Mr. Bonar Law appealed to the electors on a policy of preference within the Empire. He had not been elected on such a program, and he thought he could not force through the House of Commons an issue on which the electorate had not been consulted. I think he took the only stand which a constitutional leader in a democratic country should take—not only to consult his own followers in parliament on a question which had not been debated and decided by the electorate, but also to dissolve parliament and go to the country. I think my view of the matter is at least as democratic as that of my friend. I think it is really the people whom I want to consult in such a case, and who under the British constitutional system of government are consulted. Mr. Bonar Law was defeated, but his action shows that he had a proper respect for the will of the electors. As a result of that election three parties were returned in almost equal proportions. Naturally it made government very difficult for some time. Mr. Ramsay MacDonald, who had the largest group, carried on for a year, but finally he was defeated in the House of Commons. Surely then it was to the advantage of the United Kingdom that the electors should be given an opportunity to decide on what party should be returned to power They did decide. I do not know whether I was greatly pleased because a Conservative government was elected there, but they

secured a fair working majority, and since that time they seem to have had a reasonable degree of peace in England.

Mr. McGIBBON: Strange!

Mr. LAPOINTE: Perhaps. Conditions differ. May I mention one or two other circumstances where it is important that the government have the prerogative of dissolution? This has happened in Canada and in other countries. Under special circumstances, during a war for instance, a government goes to the country and is returned with a special mandate. When that mandate is fulfilled is it not better that the people should have the opportunity of electing a new parliament on whatever issues may then be before the country? In countries where the franchise has been extended gradually from time to time, when the electorate is considerably enlarged or modified, is not that also a good reason for appealing to the new electors and giving them an opportunity to exercise the franchise?

I believe that the present system is the really democratic one and that there is no reason for changing it. My friend said that it is a tradition or a custom, and that we ourselves this session have broken a custom by electing you, Mr. Speaker, to the chair for a third consecutive term. But the subject we are discussing is more than a custom, a practice, a tradition. I submit, Sir, that it is the very basic principle on which our constitution is founded, and which makes it different from the American system of government. I am glad that this subject has come up for discussion. I know that many people think the change suggested by my hon. friend would be a good one. I repeat that I do not agree with that view, and that I think we should retain the system which is in force today.

May I conclude by reminding my hon. friend who has referred to the fact that this government is not any more stable than that which carried on last session, that I think it is more stable because we have a Forke in the present government!

Mr. IRVINE: Mr. Speaker, may I address a question to the hon. minister before he resumes his seat? He has based his argument in defence of the present practice on his respect for the people as being above parliament. Would he consider that a prime minister had a proper respect for the will of the people if at any time he should use his right to dissolve parliament as a club over the heads of hon. members?

Mr. LAPOINTE: That power could be used as a club only if the prime minister has a secure majority in the country. A prime minister who is weak, who cannot carry his elections, who does not feel that he is backed up and supported by a majority of the people would not use that club; the club would be used against him.

Mr. HENRI BOURASSA (Labelle): The hon. member for Kindersley (Mr. Carmichael) must be congratulated upon having brought this subject before the House. No doubt for many years past, but especially during the last two or three years, an increasing number of people in the country have been asking themselves whether everything is right with our parliamentary system of government, and particularly whether the power of dissolution is always exercised in the best interests of the Dominion. It seems to me that instead of looking through books to find precedents and to discover what was done in this or that year in Great Britain or in this or that other country, we should devote ourselves more to this question: What is the system best suited to the needs of Canada now and in the near future? Of course, there is a good deal that may safely be borrowed from outside. I would be the last one to advise my compatriots and the members of this parliament to disregard all British precedents. But if I understand my British history, and with the little knowledge I have of the British parliamentary system of government, I am bound to say this, that precedent after precedent has been established to meet at particular times the needs of the people of the British Isles, now Great Britain. And if we are so concerned about imitating the British people in the operation of their system, we should do what they are doing and apply ourselves to find out in what respects their system corresponds to our needs and to our situation generally, and in what directions we should make changes as they are needed. I have never considered it necessary to show our admiration for the British people and their constitution by making ourselves monkey-like British subjects and copying everything done in Great Britain simply because it is done in Great Britain. For example, I have never been able to bring myself to the point of turning up the bottom of my trouser legs simply because it is raining in London. The conditions in Canada, geographical, political and economic, are in many respects different from those in Great Britain. In many respects they are certainly much more similar to the conditions that prevail in the United States. So that before we declare outright that the Americans are all

wrong in their method of dealing with political problems, and go on following mechanically what is done in Great Britain, we should consider conditions in their bearing on the various aspects of the question.

The first thing to be considered is, in my opinion, the question of the relations that exist or that should exist between the executive and the legislative power. This has been a great subject of dispute and the occasion for many precedents that have displaced each other in Great Britain from time immemorial. Indeed, the makers of the American constitution decided upon a separation between the executive and the legislative powers in the United States precisely because of their deep knowledge of British history and because they wanted to avoid, in the operation of political powers in the United States, such difficulties as had arisen in Great Britain and had from time to time brought into conflict the king and the lords, the lords and the commons, or the king and parliament at large. And it is precisely because, on the one hand, they wanted to strengthen the hand of the executive power in the management of the general affairs of the country, and on the other, to reserve to the legislative body that full independence derived from the mandate given by the people, that they decided to make the executive absolutely independent for the four years during which it should be in power, and at the same time guarantee to the legislative power complete independence in relation to the legislative measures it adopted as well as in the votes which it might give on the budget of the country. On the whole, I do not think it has worked so badly; and before discarding altogether that American precedent, which is nothing else than the result of many centuries of British precedents, or the putting into concrete form of the thought, or the maturation of thought of many British legislators and British jurists, we should question seriously the wisdom of copying what was done by Lord Beaconsfield or Mr. Gladstone in this year or that year. Rather, we should ask ourselves whether, our conditions being more like those that obtain in the United States, we should not to a certain extent combine in our own system of government something of British precedent and something of American practice.

As to the rights of the people and their supremacy, and the rights of democracy, all that of course sounds very well. All parties, all leaders, all representatives of the people pay a tremendous amount of respect to the voters so long as they think they can win their votes. And in our own history, as well as in the history of Great Britain, it has been proved that once entrenched in power governments have all more or less respected the will of the people. This applies even to that great statesman, Disraeli, who after having fought the popular will, both on the Corn Law and in connection with the Reform laws, discovering that he was likely to lose in the end, risked the support of the landed gentry on his Tory policy, turned his coat, and adopted a more radical policy than that of the Liberal party, which he had previously opposed. This he explained by saying that his party had educated their masters.

The point is not whether public opinion as expressed by the votes of the people will be supreme in the long run. That is admitted. The question is, what is the most practical means by which an elected parliament will carry on the government of the country for the normal period for which it has been returned, and keep a proper balance between the democratic principle and the maintenance of a government which will respect itself, respect the House and respect the people. I quite admit with the Minister of Justice (Mr. Lapointe) that if a great unforeseen question arises during the lifetime of a parliament, if the government, faced with the necessity of taking a stand on such a question, finds either through the House or from outside expressions of opinion that it cannot exercise its responsibilities and pass legislation on that question, it should ask for a dissolution in order to obtain a fresh mandate from the people on that particular matter. Such questions do arise once in a while, but they are rather infrequent. The other aspect of the question raised by several gentlemen on the opposite side presents itself at almost every session. The government brings down legislation which may be in the interests of the people, but which is imposed upon them by certain groups or large interests. If a portion of the majority is unwilling to accept such legislation by conviction, the ministers turn to those members and say, "Well, we are bound to bring it down, and if you do not accept it we will dissolve parliament." This is another aspect, a smaller one I admit but one which must not be disregarded; because, after all, the public life of a country, the standard of public morality and the public spirit are not to be measured by the attitude of parliament or of the people upon great or rare occasions, but by the daily life of the country and parliament; and everything which makes for the greater independence of parliament makes for the greater liberty of the people.

On the other hand I must say that I was quite shocked to hear the hon. gentleman asking this House to say that the majority shall decide whether or not dissolution could be granted. If this resolution were voted in this form it would simply strengthen the hands of a powerful and unscrupulous government to enforce upon the weak and time-serving majority that very dangerous power against which we are both protesting. The stronger and more unscrupulous the government, the more time-serving will be the majority at the back of that government, and if this resolution is voted where is the remedy?

Mr. CARMICHAEL: Does the hon. member mean that if the government have a strong following in the House they would be sustained and would not be granted a dissolution?

Mr. BOURASSA: My argument is that under the holy rule of democracy the more unscrupulous the government, the stronger it is with the people and with parliament. I must say that I have not much faith in democracy, in spite of all the millions we have spent to make it reign all over the world. Let us leave that for a moment, however, and turn back to something else. You have a government with a large number of followers interested individually in not going to the people, in not running the risk of an election. If the legislation proposed is unpopular and against the interests of the people but must be swallowed up for certain considerations, it is generally brought in at the beginning of a parliament. I have sat in this House in the olden times; I have studied the records of this parliament, and the more shameful a policy, the more detrimental it is to the interests of the people, the more generally it has been brought in by a strong government with a strong majority at the beginning of parliament. That has happened with all parties and if some of the followers said, "We cannot swallow that", the government replied, "Well, my good fellows, if you do not swallow it you will have to go to the people; if you do not stand by the government, will you stand by the opposition which you have fought? We have supplied you with electoral funds; where else will you get your moral help to convince the consciences of the people?" The result is that the stronger the government and the larger its majority, the greater is the tendency to impose any kind of legislation under threat of dissolution. Therefore I quite agree with the Minister of Justice, and I am quite sure my hon. friends opposite do not desire to bring this new-born democracy, with its feeble conscience, to the state of political morality which existed at the time of Disraeli and the remnants of the pocket boroughs. If we want to have some kind of practical administration we must prepare something similar to what the Americans have done; give to the people the absolute right to decide on certain occasion who their representatives will be, and then stand by the consequences for the time being. It is far better to have elections at a fixed date than have dissolution upon any pretence; and I would further say that neither the Governor General, the Lieutenant Governor nor any other single gentleman, at Rideau Hall or elsewhere, a man not representative of the people, should have that right; I will never stand for that. I would say that power should be reserved to the executive chosen by the majority of the House, and possessing the confidence of the House.

On any trivial matter, any measure which may be brought in by this or that minister, the House should be free to accept or refuse it, and let the government abide by the decision of the House. The people do not ask to be consulted in a general election upon any trifling bill which may be brought in by the Minister of the Interior, the Minister of Railways or anyone else; the people are more reasonable than they are sometimes represented. As the Minister of Justice (Mr. Lapointe) has well said, they want to be consulted upon great measures of unforeseen consequences. For example, I know the people in my province felt indignant when this parliament, which had been elected on certain matters of administration, decided by an understanding reached between the two parties that we should go to war in Europe. That feeling of indignation spread all over the country, when the constitution of this country was violated to permit Liberals and Conservatives to sit for one year more than they had been elected for, in order to impose conscription on the people. Yes, the people feel indignant at these violations not only of British precedents, but of the most elementary rights of justice and common sense.

But if a minister proposes that a grant of money be made to build the Peace river railway or any other railway; if a minister brings in a measure for the administration of his department, let the House decide whether or not such a measure shall be supported or such a grant of money be voted. It is not necessary to disturb the business of the country and dissolve parliament for that. If the minister concerned considers that he is no longer able to fill his position in the cabinet, let him resign, something which is done frequently not only in France and other countries, but in Great Britain as well. I have not the precedents in mind at the

moment, but I know something of the parliamentary history of Great Britain; and I know that such precedents could be quoted. One is coming to my mind, and from the records of a rather aristocratic government. When Macaulay was Secretary or Under-Secretary of State for India, he proposed something with regard to the government of India; he was defeated in the House of Commons, and the government wanted him to withdraw his measure. He said: No, I think it is necessary for the good government of India; therefore if I have to withdraw the measure, I will withdraw myself. So he resigned, but the government stayed in office. There was no cry of indignation; there was no ministerial crisis, and there was no appeal to the king to dissolve parliament. The government went on with the rest of its policy.

That is where I think we should and could meet the views of both the Minister of Justice (Mr. Lapointe) and the hon. member for Kindersley (Mr. Carmichael). We should find a via media between the British system and the American system. For my part, although I do not boast of it, I am attached to some British precedents, all those British precedents and traditions that agree with our needs and our conditions.

But there are other points of view. Everything which tends to multiply general elections in this country ought, I think, to be avoided unless necessary. In this again there is one feature entirely different in our country from conditions which prevail in the old country. This is a confederacy, it should not be forgotten. This is not a commonwealth; this is not one kingdom or one republic. We have nine provinces which have all their various problems to deal with, which have their legislatures and their executive powers. They appeal also to public opinion and to the public conscience through the press, informed or misinformed. The electors are the same; the ratepayer of Saskatchewan is the same elector who looks after the affairs of his province as the elector who looks after the affairs of this Dominion, and the same is true of the electors of Quebec, Ontario and elsewhere. Therefore, in Canada, as in every confederated country, the minds and activities of public spirited citizens are taxed more heavily than in a united country where all the affairs are dealt with by one parliament and executed by one government. As we have to go through the turmoil of general elections for provinces, for municipalities, for some other public bodies, and for federal affairs too, I deprecate the idea that we should have as frequent elections as they have had in England in the past.

Even in Great Britain the tendency has been in late years to avoid as much as possible unnecessary dissolutions. The Minister of Justice has just touched upon one incident quite recent in the history of government and parliamentary institutions, namely the awkward situation in which the British parliament found itself after an election—I do not remember the year just now—when there were three parties with no majority at the command of any one of them. The Liberals and the Tories agreed to this extent, that it would be better to let Mr. Ramsay MacDonald and the Labour party form a government. Of course, for anyone who knows something of the inside life of British politics, that is easy to understand. They thought Ramsay MacDonald would break his head so early that it would be to the advantage of the two old parties to let him take the risk. The moment they found out that he was in the process of giving to Great Britain the best government she had had for many years past, they agreed again to kill him.

Mr. McGIBBON: The people killed his government.

Mr. BOURASSA: My hon. friend will find out in a few years whether Ramsay MacDonald is killed or not. That is the game of party, as we all understand. In every country that brand of politics is to be found. They are no better or worse in Great Britain than we are here; we should not be either proud or ashamed of the difference. There is just about the same human nature everywhere. But evidently they discovered and they now know that the thinking and working democracy of Great Britain is tired of being appealed to from month to month by time-serving politicians.

Likewise, the people of Canada, do not care to have such frequent elections. The people who really consider and value their citizenship do not care to be called upon every six months or every year to pass through the turmoil of general elections. What they care about is that the men and parties that appeal to them, once elected and in parliament, should give them at least twenty-five per cent of their promises. The people are beginning to be more concerned about the results; and for that reason we should come to the point of combining the best part of the old traditional spirit of British government,—which was not democratic, which was entirely and thoroughly aristocratic, which was based upon contempt for the people, which meant simply the selection of a few individuals by a somewhat larger

number of individuals,—and the best part of the American system of government, which has its dangers, which threatens not only the American people but the world at large with the domination of plutocracy taking the place of the old landed gentry which governed England, but which nevertheless offers some examples that we might make use of.

Can we not have faith in ourselves, I will not say in our genius, but simply in our common sense, to try to adapt to our conditions such measures or systems of government which may or may not exist elsewhere, without asking ourselves: Has that been borne and brought up under the British flag? Does this bear the English or the French stamp? Let us endeavour to build something by ourselves out of our own common sense, taking advantage of course of what is good and what has produced good elsewhere, endeavouring also to avoid the dangers and the clap-traps into which other countries have fallen. If we do that, it will be quite possible to devise a system which will not prevent any majority from declaring that the government has lost its confidence and should go to the people. I would keep that part of the British precedent, because that, instead of being a club in the hands of ten men against two hundred, would be a club in the hands of two hundred men against ten. It would be far more effective. I quite admit that it will take a long time before a truly party majority will make use of that club against its own government; but nevertheless, leave in the hands of a majority of the House to declare that the government has lost its confidence, and therefore that an appeal should be made to the people. I think this would meet the object of the motion of the hon. gentleman, as well as the object of the motion standing on the order paper in the name of the hon. member for Bow River (Mr. Garland). Unless there is a decided vote given by the majority of the House to defeat the government and send it to the people, I claim that we should follow the American system and declare that the House shall not be dissolved until the expiration of the five years for which it is elected.

As regards the prerogatives of the Governor General, I hope that nobody and no group in this House will stand up and ask us to go back on a principle which now stands unchallenged in every country where floats the British flag. I am not apt to wave the British flag, but I hope that gentlemen in this House who are prepared to wave it upon all occasions and sing "God Save the King" on every street corner, will be prepared to stand up here and say that in the House of Commons of Canada we are not prepared to go one hundred and fifty years back of the people of Great Britain, back of the people of Australia, of New Zealand, and of every other country which acknowledges the British king as its sovereign. There is not a teacher of law, there is not a statesman, there is not a public man under the British flag in any other country but Canada, who would claim to-day that the king, or in any part of the king's dominions, the representative of the king, has the right to dissolve parliament unless it is by the advice of his legal counsellors.

I hope hon. gentlemen will forgive me a little heat upon that point. Of course, it is in the blood; but I hope also that hon. gentlemen on both sides of the House will realize that if I have taken a somewhat unexpected share in this debate it is because I earnestly hope that all men of goodwill will join hands to see that in the functioning of our representative institutions there shall be a growth, a development which will both satisfy the need which has been well presented by the hon. gentleman, and as to which a great many people in the country feel as he does and desire a remedy for that situation, and at the same time keep in view the principles which the hon. Minister of Justice (Mr. Lapointe) has laid down. It seems to me that this is a subject which might usefully occupy the minds of a few hon. gentlemen in some committee of the House. It would certainly be as useful and as timely a subject to engage their attention as the amendment of the rules of the House, which subject is to be brought before this body within a few days. There is no doubt that the people in the country feel uneasy at the uncertainty of government and of legislation. They feel that at times too much legislation is forced upon a weak government by some group holding in its hands the power to maintain or overthrow that government. They also feel that very often weak representatives of the people let a strong or daring government impose upon them legislation against their conscience and against the interests of the people they represent. We must have more freedom, we must have more order, and we must also have a little more businesslike spirit in the working of our institutions.

Miss AGNES C. MACPHAIL (Southeast Grey): Mr. Speaker, I wish to add only a very few sentences to this very interesting and, to my mind, very important debate. I was not surprised that the Minister of Justice (Mr. Lapointe) defended the present system. I have, as has been said by other members of this group, a very great respect

for the Minister of Justice, but the people who benefit from a certain system are almost always found in the ranks of its defenders.

If I understand the speech of the Minister of Justice the leading point in it was that the cabinet knew better than the members of the House of Commons what the people of the country wanted. As a matter of fact, I think they know much less about what the people want than do the members of the House of Commons, and for a very good reason; they have not the chance to know. I have said that before. When ministers go to their own constituencies there is such a terrific pow-wow made about them that they never happen to hear what the people are really thinking. They are welcomed everywhere with respect and a great show of elation and so they do not get to know, as we common individuals do, what are the people's thoughts on specific questions. I do not think there is any doubt about that, and I am amazed at the modesty of the Minister of Justice that he should stand up here and say that he and his colleagues in the cabinet know more about what the people in nine provinces want than do the representatives from the 245 constituencies. I think we must all admit, I think even the most partisan, even the most blind, must admit that a gradual but continuing change is coming over our form of government. Responsible government once meant being responsible to the crown. However, gradually a change has come about until responsible government to-day does not mean responsibility to the crown; it means responsibility to the people, and so the House of Commons, being the chamber in which the representatives of the people sit, is the most important part of the government of Canada or of Great Britain. If it is not, at least it ought to be, and to my mind it will not be so very long before the cabinet is what I once heard the Minister of Finance say in a previous parliament that it was—a committee of the House of Commons. It is, of course, not that, but it ought to be, and I think as we become seized of the fact that responsible government does mean government responsible to the people, we will also come to know that a cabinet should be a committee that is responsible to the House of Commons; and if they are not responsible to the House of Commons, they are not useful, and there should be some way in which we can get rid of them.

I think everyone who has sat in this House knows that very many times government supporters are forced—I think that word is not too strong—into supporting measures for which they have no use at all, simply to avoid having their leader, the Prime Minister of the country, go and ask for a dissolution of parliament, and thereby bring upon our heads that which members of parliament dislike most, a general election. I recall, and I am sure you do, too, Mr. Speaker, the time when Mr. Andrew McMaster, then member for Brome, introduced a resolution that cabinet ministers should not hold directorships in great companies. I yet recall the sullen faces of the Liberal members when they were forced—I use that word advisedly —to vote against that resolution which they themselves, a very few months before had, almost all, if not all, supported.

Mr. BOURASSA: Their masters had educated them.

Miss MACPHAIL: Yes. I remember some of them were so angry that we did not see them in the chamber for some days afterwards. That sort of thing is bad for the character—yes, it is bad for their disposition, as my seatmate says, but it is bad for the character, and if they stay in the House of Commons and are continually put in a position where they must vote against their honest convictions, I am afraid they will cease—well, one hates to say it—to have honest convictions. The system of government that brings about a condition like that is a very bad system.

Mr. GARLAND (Bow River): Hear, hear.

Miss MACPHAIL: It has been argued tonight by the hon. member who has just taken his seat, who spoke so eloquently and held us with such interest, that where a party had a majority in the House, if they voted together, they could at any time by a vote of the Commons bring about a dissolution. But we must admit—and I know that some members will do it with very great reluctance —that in Canada we are not as much wedded to the two-party system of government as we used to be, and that there are growing up in Canada economic groups—you can call them class groups if you like, because that is what they are—which are the result of an organization in the country. These groups come here to speak with the voice of a particular industry. I am one such. There are many of us in this corner of the House. We have no particular interest in party government. We do not care which party is the government. We care very much what kind of legislation they offer us, but the name of the party itself is of no personal concern to us, and so it seems to me, as this thing con-

tinues—and I think there is no doubt it is going to continue—that some new way of carrying on government in this House must be found, and that a time will come—and surely this resolution is one step towards it—when members will be liberated and able to express their honest convictions. Of course it sounds revolutionary, but I do not think it is so dangerous. The time will come when members can vote on issues as they arise, whether they are government measures or not, and when they, the members of the House of Commons, believe that it is in the best interests of all the people to bring about a general election, my faith in the members of the House of Commons is sufficient to believe that they will bring about a general election, and are more likely to bring it about at a time when it is in the general interest and for the welfare of the general public than are a few men who are known as the members of the cabinet.

I do not intend to continue my speech, which is not really a speech. I entreat hon. members—I was going to say hon gentlemen; it would be all right for me to say that, because so many of you say hon. gentlemen, but hon. members is a better expression—I entreat hon. members not to close their eyes to the fact that changes are taking place in Canada, first in the organization in the constituency. The old bluff stuff, even with lots of money behind it, does not work as it used to do. There is an organized electorate which has a collective intelligence and they are exercising it, and so we had better get rid of the old system, as the hon. member for Labelle (Mr. Bourassa) said, and use our own common sense in the creation of a system that suits our own conditions. We can do it if we forget all the precedents that ever were.

Mr. T. W. BIRD (Nelson): Unlike the hon. lady from Southeast Grey (Miss Macphail), I was somewhat surprised at the stand the hon. Minister of Justice (Mr. Lapointe) took against this proposed improvement in our methods of doing business in this House. I had usually associated the hon. member with a certain fine elasticity of mind and with a spirit that was attuned to democracy, but somehow or other the hon. member for Kindersley (Mr. Kennedy) must have caught the blind spot in his eye to-night. I was so much impressed with the speech of the hon. member that I thought it was worthy of at least my support. I am glad there are not many voices in this House—they seem to be a diminishing quantity—that are prepared to speak out on behalf of widening the elbow room in this chamber for Canadian democracy.

This power of cabinets to dissolve parliament is one of those vestigial things that come down to us not from times when men climbed trees but when certain classes of men found themselves up trees and sought an easy way to climb down. It is a curious thing that in the growth of our British constitution that power was wrested from the hands of autocracy and handed down to the people in very short stages. When they took this power from the monarch they did not place it immediately into the hands of the people, but placed it in the hands of the oligarchy, and there it has remained ever since to the detriment of democracy.

Mr. BOURASSA: That was Cromwell's work.

Mr. BIRD: Like all things of this character that have outlived their usefulness, that time has caused to seem uncouth, it has become a kind of incubator of disease in the body politic. I feel sure myself that this power, remaining beyond its time, outgrowing its usefulness and purpose, has had a pernicious influence upon our government. It has provided a means whereby governments, oligarchies, small cliques of men, have been able to club popular assemblies into insensibility towards the wishes of the people. It is a sad thing, the influence that popular assemblies, so-called, have upon the members who from time to time are sent to them. It does not require very much to take the edge off those fine sentiments with which men first make their appearance in these assemblies. It does not take much, it seems, to dilute those high principles which animate our breast when first we make our entry into these places. One of the things that is most responsible for killing these enthusiasms, for destroying these attachments to high principles is the influence of the party whip. What is it that gives to the party whip his power, his torpedo-like effect upon the followers of a government? When he draws out the black snake and cracks it over the heads of his party's followers, then enthusiasms decay and evaporate. Why is it? Simply because we have allowed to survive into our age of democracy this vestige of times gone by when it may have had some use to buttress autocracy, but never to strengthen democracy.

I am sure that this out-of-date practice also fosters what I may call opportunism in government. This does not need very much fostering, because in times gone by it has been the very spirit of the politician. But here is something that deliberately fosters opportunism in government. It allows governments to lengthen their term of office—I am arguing

contrary to the Minister of Justice; it is just as legitimate one way or the other—I say it permits governments to prolong their life until they think it is opportune to consult the people. Here we are in parliament supposed to be transacting the people's business, but from election to election we sit gazing out of the window wondering what kind of political weather it is going to be instead of transacting the people's business. We have our eye upon the political barometer. My hon. friend says that governments keep their eyes on by-elections, and that as the mercury rises or falls, it determines the length of life of governments. I may have made a mistake in checking up my hon. friend on the dates he mentions, but I remember that in 1874 when Gladstone went to the country because he felt that the political barometer was falling his government was succeeded by the Disraeli government, one of the most inept, retrograde, shallow and inefficient governments that ever held office in England. Throughout their term of office they scanned the political horizon and when they thought the barometer was rising—several by-elections went in their favour—they appealed to the country. What happened? They were severely beaten. The political barometer failed them, why should not it fail at any other time? In our own experience we know there has been such a failure. The political barometer proved to be misleading as recently as last session. What was it then that impelled the government of the day to go to the country but their sizing up of the political situation? You know, Mr. Speaker, as well as I do that not ten per cent of the people were wanting an election last year; they were wanting legislation, as the member for Southeast Grey said. Nevertheless they got an election, and they got it because of this outworn practice that we have saddled upon us in this democratic age. Here we have political parties watching the clouds. As the Scripture says, when you watch the clouds you do not sow. That is one reason why parliaments are so sterile in legislation—most of the time is spent between looking back to the last election and forward to the next.

I think this custom is out of keeping with present-day parliamentary conditions. As the member for Southeast Grey said, the members of the older groups in this House have always deliberately refused to recognize the emergence of the third party. We are in the age of the multi-group system; groups have come to stay. The fact that the group I represent in this parliament sits partly on one side of the House and partly on the other does not, I think, make much difference. Personally I feel sorry in a sense to see my colleagues sitting over on the other side of the chamber, but perhaps it is due from me to say to the House that it might be as well for those who do not understand the situation not to try to derive too much comfort from seeing some of my colleagues on the benches opposite. I think my colleagues there will agree with me that in the last five years, in Manitoba at any rate, there has been no fundamental change in the opinion of the people; they are not one whit more attached to the bi-party system to-day than they were in 1921. I say to my friends of both parties that if I were in their position I would not presume too much from the fact, regrettable enough to me, that some of my colleagues are sitting where they are to-night.

I want to say that it is an insult to the democratic spirit that has manifested itself throughout the country in the last six years to make almost deliberate attempts to disintegrate the third party both in this House and in the country. It cannot be done. There is such a momentum behind the movement that all this petty obstruction can have only a momentary effect. I would have been proud, indeed gratified, if the Minister of Justice speaking, as he presumably does, for the government, had assumed a more generous attitude towards this measure of reform that has been put before us to-night. I do not say that it is sufficient. I think possibly it has a serious defect.

I could not see very much difference between the position taken by my hon. friend (Mr. Bourassa) and that of the member for Kindersley, except perhaps that one was a little more stringent than the other. After all, these things are but details in a wider system of renovation which is overdue in our Canadian parliament. Anyone who knows parliament, who has had experience of it, knows that out of all its turmoil, out of all its labours, there comes forth precious little in the way of advanced legislation for the benefit of the people. And why is that? Is it not reasonable to assume that it is because of the antiquated system to which we are clinging? From my own observation I am sure it is. Parliament is not functioning as it should function in a democratic country; the voice of the people is stifled the moment it tries to find expression in this House. The moment the will of the people tries to express itself, it is cribbed, cabined and confined in this very place which traditionally is supposed to stand for the rights of all. Why should any Liberal quarrel with a new and rising democracy? When this new spirit of democracy, this clamant call of the people

for better representation, makes itself felt here, why should it be restrained? Why should it not be given every reasonable encouragement? Is not this the home of democratic institutions? This is the place that has been reared through generations to welcome the voice and the spirit of the people. We cannot therefore take this resolution lightly to-night. While it may be very inadequate, yet it points to something that is eating at the very vitals of our public life.

A few days ago I received from one of our outstanding newspapers a pamphlet aimed at converting me to the system of Mussolini in Italy. Why should an intelligently conducted journal try to foist that system on Canada? Because evidently it sees its opportunity; it sees some vital debility in the present system. But are we believers in British constitutional development going to listen to the wild, thoughtless, wrecking advice of a capitalistic newspaper and overturn the traditions of our beloved country simply because, being subsidized, that newspaper is able to pamphleteer us? Let us act like reasonable men and try to keep our constitutional development along the sound lines that have been laid down by our British statesmen in days gone by. Those men were not perfect; they shapd their policies to fit in with the needs and the state of devlopment in the time in which they lived. But their vision was far-reaching nevertheless.

I do not think we can take the speech of the Minister of Justice very seriously because, in my opinion at any rate, it represents no fundamental philosophy in his own mind. I would much rather believe that he is on the side of the angels with respect to these things; if he is not, he should be. In looking up a reference a short while ago, explaining why Gladstone became disheartened, went to the country, and finally retired from the leadership of his party, I found a very interesting passage. Mr. Chamberlain, who at that time was the strongest radical in British politics, was himself dragging Mr. Gladstone, Napoleon-like, into his Elba. Chamberlain advised the Liberals at that time to vote against the government of their party until they should learn the Liberal alphabet sufficiently well to be able to spell the first words of the Liberal cause. He repeated that throughout the length and breadth of England, with the result that the Liberal government was turned out of power. They had to learn the alphabet of liberalism. I do not think we heard the alphabet of liberalism to-night from the lips of the Minister of Justice. We heard a strange language, a foreign accent,—

Mr. LAPOINTE: I am not responsible for that.

Mr. BIRD: I was referring to the hon. gentleman's mental accent.

Mr. LAPOINTE: Oh, I see.

Mr. BIRD: I was talking in the realm of mental and moral things. And I say it sincerely, and not at all in any captious spirit, because I am thoroughly convinced that what the minister said to-night was not inspired by anything he can find in the story of Liberalism. He will search in vain the lives of Liberal statesmen, he will read Liberal textbooks as much as he likes, he will find nothing at all in keeping with the spirit of the little address he gave us to-night.

Mr. WILLIAM IRVINE (Wetaskiwin): I do not propose at this late hour to go fully into this question, important though it is. I believe however that it is of sufficient importance to merit greater consideration than the House will be able to give it to-night. Unlike the previous speaker (Mr. Bird), I was rather impressed with the argument of the Minister of Justice (Mr. Lapointe), although not with the whole of it. Certainly I think he presented the constitutional principle at its very best, and there is something well worth safeguarding in that principle. On the other hand, I should hope that the Minister of Justice would be willing to admit that the hon. member for Kindersley (Mr. Carmichael) is trying to remove from the practice of parliament something that is a real grievance and hindrance, both to democracy and to the best interests of the House. The hon. member for Labelle (Mr. Bourassa) has presented both sides of the question clearly to us. Judging from the remarks of the Minister of Justice it would be surprising to me if this resolution were to pass. I think his very utterance, under the present practice of parliament, draws to his support every member on the other side of the House who belongs to his party, and that being so the resolution will of course be lost. I believe, on the other hand, that if a committee were appointed to study the question, or if one of the standing committees were delegated to take it into consideration and discuss it, something might possibly develop which could be adopted. It is obvious to everyone that the chief thing we are trying to get away from in the resolution is the power which a prime minister wields in parliament by his continual threat to dissolve parliament if certain legislation is not passed. That is the most important point implied in the resolution. Therefore, in view of the importance of the resolution, and also in the

hope that with greater or more mature consideration some means will be found whereby the principle set forth by the Minister of Justice, and the one emphasized by the hon. member for Kindersley, may be embodied in one practice, I move seconded by Mr. Spencer, that the resolution be amended by adding the words, "That this resolution be referred to the committee on rules of the House."

Hon. J. W. EDWARDS (Frontenac-Addington): It is so seldom that I have an opportunity of agreeing with the Minister of Justice (Mr. Lapointe) that even at this late hour I am not going to let the opportunity pass of saying that I do agree with him in the stand that he takes in regard to this resolution. The Minister of Justice stated that the will of the people was above even the will of parliament, and if that is so I would like to say that in the last election the party on this side of the House, of which I am a humble member, polled more of the popular vote than did the parties represented by the Minister of Justice and the hon. member for Kindersley (Mr. Carmichael). Therefore, in so far as public opinion is concerned, I may find myself at variance with the minister.

I do not intend to take many minutes at this late hour to discuss this question. We have listened to the hon. member for Labelle (Mr. Bourassa), who has certainly a very extensive vocabulary and who does not intend that any part of that vocabulary shall grow rusty through disuse. I will readily admit that he is a fluent and interesting speaker at all times; perhaps more interesting when you hear him first than when you hear him later on because of his frequent repetitions and all-embracing generalities which come up in almost every speech. If the remarks of the hon. member for Labelle had any meaning at all they meant in one part that we should adopt the cast iron, iron clad system of the United States. But apparently that did not suit him, nor did the motion of the hon. member for Kindersley please him. That is not unnatural with the hon. member for Labelle; in fact that is playing true to form, When has any person known the hon. member to agree with any person, any party, or any individual except the hon. member for Labelle?

I can easily understand the attitude of the hon. member for Southeast Grey (Miss Macphail) and the hon. member for Nelson (Mr. Bird), in their desire to hang on to their seats for five years, no matter what the circumstances are. When a person will cut short a trip across the Atlantic in order to try to keep in power a party which that person has already denounced as unfit to hold the reigns of office; when a person will "inadvertently" cast his vote to keep that party in power, I can well understand the attitude of those hon. members this evening in saying that parliament should extend over the full term of five years no matter what the circumstances may be, in order that they may hold the seats which they now represent.

The hon. member for Labelle frequently pays tributes, in that tone of voice and attitude which generally characterize all his utterances, to the British constitution and British institutions, but he generally endeavours to find something with which he endeavours to discredit them afterwards. So he said, with that flourish not of trumpets but of arms, with that acrobatic performance which nearly always goes with his speeches in this House, "We must not accept British precedents and British practices because they are British." All I have to say, Mr. Speaker, and I say it to the hon. member for Labelle and need say it to no others in this House, that neither do we have to discard British practices and British precedents because they are British. I think we are on pretty safe ground in following the practice of the mother of parliaments in regard to this matter, as we might very well follow them in regard to many other matters, and as most of the civilized countries in the world have followed them also. I believe that our course here is far more democratic and more in conformity with the will of the people than is the practice across the line in the United States of America.

It was said by one of the speakers, if not by the hon. member for Labelle, that the government might use its power of dissolution as a threat or club over hon. members to force them into submission. That is not a practice which I will endorse or which should be endorsed, but I venture to submit that it is no worse for the government to do that, having on their shoulders the responsibility of carrying on government, than it was for the hon. member for Labelle to rise in his place in this House last session and convey to the government the threat that unless they changed certain legislation he would tell something that took place in a secret conference in 1905. Who was holding a club in that case? I do not think it any worse for the government to exercise its right of dissolution than it was for certain hon. gentlemen from the city of Winnipeg to exercise their power and authority in this House last session and say to the government, "Give us this legislation or give us that, or out you go." It may be that the government may see

fit to dissolve parliament, but it seems to me that according to human nature as exemplified by this government, they are not very apt to dissolve parliament short of the legal term. I think we can take it for granted that they will hang on as long as they possibly can, at least I am convinced that I have seen evidences to that effect on several occasions. But I can conceive that it may be possible for circumstances to arise in the country whereby a certain matter may come up which will agitate Canada from one end to the other, and where the government must take a firm stand.

I want to say here that I do not agree with the hon. member for Southeast Grey when she says that the ordinary member of parliament is in a better position to get public opinion than are members of the cabinet. I disagree with that absolutely, because it is the business of the cabinet, selected from all parts of the country, to make themselves familiar with public opinion on all great questions. If the government of the country take a stand on a question; they are a number of men bound together and acting together, and if certain other men take the opposite side on a question which is agitating the country from the Atlantic to the Pacific, then I say it is right for the government to tell the others. "We believe we are right; we may be in the minority in the House, but we believe the people of the country are with us, and believing that we will submit this question to the people." In that case they should not be dictated to by a few individuals in this House representing any class or group who think they hold the upper hand and can force the government to do what they will.

As I say, Mr. Speaker, taking into consideration all these matters I am inclined to agree with the position taken by the Minister of Justice. I listened of course with attention and interest to the remarks made by hon. gentlemen and the hon. member for Southeast Grey (Miss Macphail) in the southeast corner of the House, the Progressives. If democracy has been smashed to splinters in the opinion of those hon. members, if the liberties of the people are being violated and all that sort of thing, why do they not use their great influence in Manitoba and Alberta, where they have Progressive governments, and get them to institute such a system out there? Have they done that? Not that I have heard.

Mr. SPENCER: Yes.

Mr. EDWARDS (Frontenac): When? They have not produced any results. They will produce no more results if they try it out there than they will produce here. They have not invaded the field out there; they have not used their perfervid eloquence in taking up this question with the Progressive governments of Manitoba and Alberta, telling them where they were wrong and how they were trampling on the liberties of the people and infringing the sacred rights of democracy. No, hon. gentlemen will leave all that, come down to this parliament, and tell us that we are all going to the political bow-wows because we do not see just as the political group in that corner sees on this question.

I repeat what I said in the beginning. Having regard to the situation in the old country, to the development of democratic institutions there under the British system, because that is what he have had, the recognition of the rights of the people in that land where for centuries they have developed their institutions, and having regard at all times to the will of the people, I say that that is a very good and safe course for us to follow, and I for one believe that to depart from that course and to take away from the government of this country, whatever government it may be, the right to be guided according to what it believes to be the will of the people and, in any great crisis arising, to dissolve parliament and ascertain the will of the people, will be a retrograde step. I close by using again the sentence which I uttered in the beginning, namely, that I am glad on this occasion to take a few minutes in order to place myself in accord with the hon. gentleman for whom I have a great respect so far as his personality is concerned, but for whose politics I have very little use.

Hon. ERNEST LAPOINTE (Minister of Justice): Mr. Speaker, I am bound to return the compliment to the hon. member for Frontenac-Addington (Mr. Edwards) and I am really pleased to see that for once we are in agreement. I believe that I am right notwithstanding.

Mr. EDWARDS (Frontenac): That was the very point that bothered me.

Mr. LAPOINTE: I was pleased that one of his arguments at least was an answer to the hon. member for Southeast Grey, whose suggestion that my stand in the matter might be influenced by the benefits I received from the present system was not altogether fair. As the hon. member for Frontenac-Addington said, I think any benefit there would be from the present system in having a secure government and a safe position in the council would be as great as it would be if the motion of the hon. member were adopted.

Miss MACPHAIL: Is the hon. member assuming that the cabinet knows better than members of the House of Commons what the people want?

Mr. LAPOINTE: That is another question entirely, but I may assure my hon. friend that I am discussing this on a matter of principle and not of self-interest. That is not my way in the public life of Canada.

Miss MACPHAIL: I was not attaching any blame or trying to say that the Minister of Justice was personally benefiting any more than any one else under the system, but it is quite a secure position for the cabinet when the very last word comes out of their own mouths.

Mr. LAPOINTE: Well, the words were unfortunate. The hon. member for Nelson (Mr. Bird) did not attach any self-interest to me in the matter, but he rather inferred that he was sorry for my Liberalism. Really I think that when I am keeping company with Gladstone, Asquith, Sir Edward Grey and Campbell Bannerman, I am with fairly good Liberals.

Miss MACPHAIL: And the hon. member for Frontenac-Addington.

Mr. LAPOINTE: I have said already that I am right notwithstanding. I think I may fairly repeat that the British system is the truly democratic system. Reference has been made to-night to those practices in the past in England when they had an aristocratic government and corrupt boroughs. There was such a time in England and it took perhaps centuries for the people to get all their liberties, one after the other. They fought for those liberties; but there is no other system in the world—and I am proud to proclaim this to-night—which is as truly a popular and democratic system as the British one at present.

Miss MACPHAIL: Is the British system finished?

Mr. LAPOINTE: It is not finished; but we must not go back; we must improve. I may remind my hon. friend that a change is not always a reform. There are changes which are retrograde and this would not be a reform. As regards the amendment, surely it cannot be expected that we should send a motion of this kind to a committee to amend or change the rules of the House. This is not a question of precedent; it is a question of principle, and personally I am not going to entrust any committee of my fellow members to decide my principles for me.

[Mr. Lapointe.]

The House divided on the amendment (Mr. Irvine) which was negatived on the following division:

YEAS

Messrs:

Adshead,
Bancroft,
Bird,
Bourassa,
Brown,
Campbell,
Carmichael,
Coote,
Evans,
Gardiner,
Garland (Bow River),
Hepburn,
Irvine,
Jelliff,
Kellner,
Kennedy,
Lucas,
Luchkovich,
Macphail (Miss),
Milne,
Quinn,
Speakman,
Spencer,
Steedsman,
Ward,
Woodsworth.—26.

NAYS

Messrs:

Allan,
Anderson (Halton),
Barber,
Bell (St. Antoine),
Bell (St. John-Albert),
Benoit,
Bissett,
Black (Yukon),
Blanchard,
Blatchford,
Boivin,
Bothwell,
Bouchard,
Boucher,
Boulanger,
Bourgeois,
Bowen,
Bowman,
Bradette,
Brady,
Cahan,
Cannon,
Cardin,
Casgrain,
Cayley,
Chaplin,
Charters,
Chevrier,
Church,
Clark,
Cotnam,
Cowan,
Delisle,
Denis (St. Denis),
Denis (Joliette),
Desaulniers,
Deslauriers,
Donnelly,
Dunning,
Dussault,
Edwards (Frontenac-Addington),
Edwards (Waterloo South),
Elliott,
Ernst,
Esling,
Fiset (Sir Eugene),
Fontaine,
Forke,
Fraser,
Geary,
Gervais,
Girouard,
Glen,
Gott,
Goulet,
Guthrie,
Hall,
Heenan,
Howden,
Ilsley,
Jenkins,
Johnston (Long Lake),
Johnstone (Cape Breton North-Victoria),
Jones,
Kaiser,
King (Kootenay East),
Lacombe,
Lacroix,
Laflamme,
Lanctôt,
Langlois,
Lapierre,
Lapointe,
Letellier,
Macdonald (Glengarry),
MacDonald (Cape Breton South),
Macdonald (Kings),
Macdonald (Richmond-West Cape Breton),
Macdougall,
MacLean (Prince),
McLean (Melfort),
McGibbon,
McGregor,

McIntosh,
McKenzie,
McMillan,
McPhee,
McPherson,
McRae,
Malcolm,
Maloney,
Maybee,
Millar,
Morin (Bagot),
Morin (St. Hyacinthe-Rouville),
Motherwell,
Odette,
Parent,
Peck,
Perras,
Pettit,
Preston,
Price,
Ralston,
Raymond,
Rinfret,
Robb,
Robinson,
Robitaille,
Ross (Moose Jaw),
Rowe,
Sanderson,
Séguin,
Senn,
Simpson,
Sinclair (Queens),
Smith (Cumberland),
Smith (Stormont),
Smoke,
Spence (Maple Creek),
Stewart (Edmonton West),
Stewart (Leeds),
Stirling,
Taylor,
Telford,
Thompson,
Thorson,
Totzke,
Vallance,
Veniot,
White (Mount Royal),
Young (Saskatoon),
Young (Weyburn).—133.

Mr. F. P. QUINN (Halifax): I may be out of order, Mr. Speaker, but I was in my seat when the vote on the amendment was being taken, and I wish to record my vote for the amendment.

Mr. SPEAKER: I will ask the clerk to state whether or not he recorded the vote cast by the hon. member for Halifax (Mr. Quinn).

The CLERK: No, Mr. Speaker.

Mr. SPEAKER: I think it should be recorded, because first of all, he was in his seat when the question was put, and Bourinot says at page 381:

> If a member who has heard the question put does not vote, and the attention of the Speaker is directed to the fact, the latter will call upon him to declare on which side he votes: and his name will be recorded accordingly.

In the present instance, the hon. member was, as he says, in the House when the question was put. He had not made up his mind whether or not he would support the amendment when the vote on it was being taken, but later on, when the vote against the amendment was being taken, he made up his mind and stated that he wished to support the amendment. Under these circumstances I am justified in saying that his vote should be recorded. The question is now on the main motion.

Mr. CAHAN: I think there are very good grounds indeed, Mr. Speaker, why a resolution of this kind should not be referred to the committee on the rules and practices of this House, but I think the subject, if there is time and an opportunity offers, is worthy of further consideration by this House, and as the hour is now late, I would move the adjournment of the debate on the main motion.

Motion agreed to and debate adjourned.

On motion of Mr. Lapointe, the House adjourned at 11.50 p.m.

Tuesday, February 15, 1927

The House met at three o'clock

ATHABASKA ELECTION

REFERENCE OF REPORTS OF MR. JUSTICE CLARKE TO PRIVILEGES AND ELECTIONS COMMITTEE

Mr. D. M. KENNEDY (Peace River): Mr. Speaker, I beg to move:

> That the interim and final reports respectively of the Hon. Mr. Justice Clarke, commissioner appointed to inquire into the alleged existence of corrupt or illegal practices in the election held in the electoral district of Athabaska, in the province of Alberta, on the 29th of October, 1925, which reports were laid on the table of the House on December 15, 1926, be referred to the select standing committee on privileges and elections.

Hon. ERNEST LAPOINTE (Minister of Justice): May I ask my hon. friend to explain what is the purpose of sending these reports to the privileges and elections committee?

Mr. KENNEDY: Possibly, Mr. Speaker, as this is a new parliament I had better give a few facts to the House regarding the petition, and at least one reason why these reports ought to be referred to that committee.

A petition was presented to this House in the early part of last session, on February 1st, I think, signed by A. C. Berry, of the electoral district of Athabaska, in the province of Alberta, alleging that illegal and corrupt practices had extensively prevailed in that election. The House received that petition, and a motion passed the House on March 18, 1926, for the appointment of a commissioner to conduct an investigation. On July 10th, the Hon. Mr. Justice Clarke, of Alberta, was appointed as commissioner, and he conducted the investigation, and made, as is stated in the motion, two reports to the government. In his interim report he stated that corrupt and illegal practices had extensively prevailed in that constituency. Further in that report he mentioned certain polls, a dozen or more I think, in which there was a tremendous amount of fraud committed such as stuffing

ballot boxes, forging returns and other documents. He did not in his report make recommendations further than simply to present the findings of his investigation to the government and the House. It seems to me that one purpose at least—there may be others—is to examine the findings of Mr. Justice Clarke and to ascertain if it is not possible to provide ways and means whereby it will be impossible in the future to conduct elections in Canada in that manner.

Mr. D. F. KELLNER (Athabaska): Mr. Speaker, before this motion is carried there are a few things that I would like to say regarding the motion to refer this petition to the committee on privileges and elections. While the commissioner held an extensive investigation and made a report, there are several things in connection with it which he did not deal with at all and which in fact he had no power to deal with. The report will show that a large number of individuals were guilty of corruption, illegal practices and such like. A certificate of indemnity was given to election officials covering the charge of forging ballots, putting their names on ballots which they were not so authorized to initial, and offences of that kind, but the commissioner did not deal and had no power to deal with a large number of other offences. For instance, the report will show that some of them were guilty of forgery, that is, that they had forged cheques which had been sent out to pay the expenses of election officials and had cashed those cheques and obtained the money. The report will also show that some of them were guilty of perjury; that they gave false evidence when called before the commission. Surely no one will argue that the commissioner had any authority to grant certificates of indemnity covering those cases, but the result is that those people have not been punished to date, and so far as I know no notice has been taken of the matter.

Mr. STEVENS: I did not quite catch what the hon. member said. Do I understand that these parties to whom he refers are in the government service?

Mr. KELLNER: Some of them are and I will deal with that in a minute if my hon. friend will let me pass it for the moment. It might be well to give a little review of the whole situation that was planned for this election. In the first place the returning officer's office was at a point called Lac la Biche about a hundred miles away from the centre of settlement. There is a twice-a-week train service in that part of the country; there is only one highway running north and south reaching the point and it is not readily accessible. To the returning officer being allowed to operate at that point the electors took very serious objection. They objected to the Chief Electoral Officer, requesting that he move the returning officer. If the Chief Electoral Officer were not acquainted with that constituency, one might fairly assume that he did not himself know the situation; but he lived in the city of Edmonton for a good number of years, having been as a matter of fact a law partner in the firm of Short & Cross, the latter being one of the candidates in the election. Therefore, he must have had a considerable knowledge covering the whole situation.

The next point was that they selected as returning officer a man who admitted on the witness stand that he could neither read nor write. They did bring in two aides for him who could read and write. In fact they sent down to Seattle and they brought back two men, one named Lawler and the other Deyl to run this election. I am sure the name of Deyl will be quite familiar to some of those who have been in the Liberal party in western Canada for a number of years. I would be much surprised if the Minister of the Interior had not heard of Mr. Deyl in the old days.

Mr. STEWART: Quite often.

Mr. KELLNER: When liquor licenses were granted in Alberta, he was the man who used to go around to the hotel keepers telling them that unless they made a contribution to the campaign funds, their licenses would not be renewed. He was a revenue producer. Mr. Lawler is also well known to some of my Liberal friends. I would be surprised if the hon. member for East Edmonton (Mr. Blatchford) did not know him. I believe he rendered very effective assistance in the civic election in 1925. These two men came in and took control of the elections. To begin with the registrars refused to send out voters' lists and the committee that was in charge of that campaign in that election protested strenuously to the returning officer and to the Chief Electoral Officer. When polling day came we had in our possession something less than 100 lists out of a total of 235. That may seem a small matter, but when you come to examine the lists it will be very apparent that the plugging of those voters' lists was a part of the whole scheme of corruption. For instance, on the list covering the poll at Venice, there were 105 names, and the return from the poll showed that ninety-five people had come to vote, ninety-four of them voting for Mr. Cross and one ballot being rejected.

Mr. CHAPLIN: How did that happen?

Mr. KELLNER: They were experienced men. They should not have had a rejected ballot. On an investigation of the names on the voters' lists it was found that there were probably thirty to thirty-five actually resident in the district. They were all on the list. Evidently the registrar started to put other names on the list, names of people who did not exist and who had not existed for quite a few years. As a matter of fact we found the name of one man who had been dead for twelve years and the return from the poll showed that a ballot had been polled under his name. Another man had been dead for three years. There were several men who had been out of the country for quite a number of years, including the priest of that district who was at the moment visiting in Italy. His name was, however, recorded in the voters' list as having gone to the poll and voted. It seemed also that in the compilation of the voters' lists they were endeavouring to break even between the males and the females, and when they put the priest's name on the list, to make the thing even they put the priest's wife's name on also. That is one registrar to whose being paid we objected, but a cheque was issued and went out covering the compilation of that list.

Another case which I would like to cite is that of three polls that were held in the forest reserve where nobody lives and where nobody is allowed to live. But those were not all the polls that were held there by any means. The evidence shows that three deputy returning officers were instructed to take ballot boxes on election morning, follow up a trail that runs across this reserve, get back off the road about a half mile so that if anybody passed, they would not be seen, get into the bush and hold the election. All of this they did. Then they took the ballot boxes down to the Hudson's Bay store and proceeded to put in the ballots.

Now, is there any reason why this government should send out cheques for the compilation of those lists and to pay those deputy returning officers and poll clerks? Yet that is precisely what has been done. We have heard of election irregularities in England, where there have been two or three outstanding cases, but there the electorate itself actually lost its head and either polled a corrupt vote or refused to allow some of the voters to exercise the franchise. This is a different case entirely. So far as this investigation shows, there is no evidence of any corruption on the part of the electorate; the corruption has been entirely on the part of the officials who were running the election. Inasmuch as those officials are the servants of this parliament, I think it is our duty to give due consideration to this case and to make certain that no future election in this country shall be conducted in a similar way.

One other charge was mentioned a moment ago. A close scrutiny of those election officials will show that a large percentage of them are civil servants holding positions under the federal government. Take, for instance, one of the polls mentioned in this report, that at Lac la Biche. One of those who was found guilty of having put ballots in the box of people that never came to vote and was disfranchised—that is practically the only penalty the commissioner could enforce—is the postmaster of that village; he is also the sub land agent and in charge of the Dominion government telegraph service. I was notified this morning that he has resigned as postmaster. But it is four months since the report was made, it is two months since it was laid on the table, and all the time that man has been acting as postmaster and sub land agent and has been in control of the government telegraph service.

When those men who held the poll in the forest reserve were asked who told them to do so, they said it was a man by the name of Harry Bowtell. This Harry Bowtell is a rather interesting character—and also a civil servant. He is the postmaster at Frog Lake. He has held the office for seventeen years. I think he is also a sub land agent. I do know he is in charge of the Dominion government telegraph office. His wife is the assistant postmistress, and she admitted that when the cheques were being sent in the name of people who did not exist she had knowledge that a couple of the cheques were coming to that office. As of course she knew no one would call for them, she signed the registration book for one cheque and got her thirteen-year-old daughter to sign for the other. Then they endorsed the cheques and cashed them. And yet Dominion government cheques have been sent to pay those people for such services in spite of the protests made by the people of Athabaska. We wrote letter after letter to Ottawa trying to stop payment of those election officials, but a deaf ear was turned to our protests; those officials were paid.

I do not want to go into all these irregularities, there are so many of them, and I do not know that it is advisable to even attempt to do so. My purpose is to point out that these irregularities have been brought to the attention of the government, and that the government has taken no effective way of dealing with them. The members of the

government practically shut their eyes to the whole thing. Section 87 of the Dominion Elections Act says that:

Any person who is, in any proceeding in which after notice of the charge he has had an opportunity of being heard, found guilty of any corrupt practice or of any illegal practice, or of any offence which is a corrupt practice or illegal practice; shall, in addition to any other punishment for such offence by this or any other act prescribed be, for a corrupt practice during the seven years or for an illegal practice during the five years, next after the date of his being so reported, convicted, ordered, or found guilty, incapable of being elected to or of sitting in the House of Commons or of voting at any election of a member of that House or of holding any office in the nomination of the crown or of the Governor General in Canada.

I think that must have been inserted in order to give parliament special jurisdiction over these officials. True, under the criminal code, as under the Election Act, penalties are prescribed which can be enforced by a court, but this section applies particularly to the government and to parliament. In accordance with its terms these men were incompetent to hold any government position at the time that report was made, but we find they are still retained as government officials.

I charged a moment ago that the government has not taken any effective measures to wipe out this revolting situation. I think I can go a step further and very truthfully say that wherever that machine was weakened by reason of this investigation those behind it have tried to make good the damage and in fact to strengthen their organization. In the village of Warspite the post office had been conducted in a store. The storekeeper sold out last fall. His successor was appointed postmaster by the postal inspector of that district. That man is reported to have been a very efficient postmaster. The post office guide shows that about eighty-five families get their mail at that post office. A petition signed by 150 people was sent to the Postmaster General's department that that man be left in charge of the post office, but a month or six weeks ago word came from Ottawa that the position must be taken away from him and given to another man. Every man and woman in the district signed that petition except seven. Evidently seven people in that district had influence enough to have the transfer made. I leave it to the House to say what is behind the transfer. Certainly the transfer was not made because the new man was going to give better service. No one could argue that. If you are getting service that is satisfactory to 153 out of 160 people you are doing mighty well, and you are not safe in making any change.

[Mr. Kellner.]

Now, shortly before Christmas the French-Canadians of this country had a reunion at Ste. Anne de Beaupre. To that reunion came a Mr. Giroux, member of the legislative assembly of Alberta. It is interesting to learn how he obtained the money to pay his expenses. The head office of the Dominion government telegraph service in Alberta is at Edmonton, in charge of a man named Elmer. He sent out what is called a "twenty-three." It is a message sent over the lines to which all the operators are instructed to listen in. He told them about Mr. Giroux coming down here to interview the ministers and look after the superannuation of the operators, and that they would be requested, or commanded—I am not sure which—to put up five dollars apiece. He also wrote some telegraph operators down in Saskatchewan to put up a similar amount. I am told that altogether about $220 was secured for the trip. Now, is it in the interests of Canada that the civil service be used for obtaining political contributions? Let me go a step further. Is there a minister in the government who will get up this afternoon and say that Mr. Giroux interviewed him in any particular in the interests of the civil service? I do not think there is. He came down here to have a good time.

But the most regrettable point about this is that one man connected with the system who refused to make a contribution has since been reported to the department to his detriment. The hidden hand is trying to force him to contribute to Liberal campaign funds or else to blackmail him. I look across the House and I see quite a number of men who used to sit over on this side, who used to belong to the farmers' movement in western Canada. That movement was started largely—

An hon. MEMBER: Order.

Mr. SPENCE (Parkdale): Oh, take your medicine.

An hon. MEMBER: Did you ever taste it?

Mr. SPENCE (Parkdale): Yes. You take it now.

An hon. MEMBER: Taste it yourself.

Mr. KELLNER: May I ask my former colleagues one question. That movement was started as a protest against such political scandals as this, and that movement brought out such men as to-day you see sitting on the other side and actively lending their support to the government. Let me ask the hon. member for Lisgar (Mr. Brown) if he feels comforted.

Mr. BROWN: The hon. member for Lisgar will be found expressing his opinion on the situation when the time comes.

Mr. JACOBS: The remarks of the hon. member (Mr. Kellner) are quite interesting but it seems to me that they are altogether outside of the motion now before the House.

Mr. SPEAKER: The hon. member has so far been in order, but I would advise him not to make what may be considered insinuations against certain members of the House as being in favour of such a situation as he has described.

Mr. KELLNER: Very well, Mr. Speaker, I will deal with the report itself. I want to consider that portion of it dealing with the stamp of the returning officer. The situation in this regard was this: while the returning officer was at his office in Lac la Biche, the stamp was in possession of one Wilson in Edmonton, and the evidence would go to show that the ballots were taken over and given to Wilson, who stamped them. Now, the Elections Act provides that a returning officer shall keep the stamp in his possession, and as a matter of fact there is a severe penalty—I think it is five years—for anyone in illegal possession of it. Yet here you find a man in Edmonton who is in possession of the returning officer's stamp. I was amazed, indeed, to read the finding of the judge that he was legally in possession of it; I do not see for the life of me how he could be. However, the returning officer is now dead and I do not wish to bring him into the discussion, but I will say that during the time we had some criminal prosecutions out there he gave evidence, swearing that the ballots were sent to him at Lac la Biche.

At the very least, parliament should decide when the stamp of a returning officer is legally in his possession and when it is not, and decide also whether or not the stamping of ballots in the city of Edmonton for a returning officer one hundred miles away is something that is in keeping with the instructions of the Elections Act. There was one other feature about the ballots which was lightly passed up in the investigation, and that is the fact that they were not all the same. On some there was a mistake in the spelling. My name was incorrectly spelled, as was also the name of Mr. Geauvreau, the Conservative candidate. Perhaps it is not remarkable that Mr. Cross' name was spelled correctly in both cases. The explanation of that irregularity in connection with the spelling of the names was that when they were printing the ballots, a sheet of paper got caught in the roll and some ballots were spoiled. And that consumed a considerable quantity of paper that could not be accounted for. Then, the evidence goes on to show that a mistake in spelling the names was noticed and corrected, after fifteen or twenty thousand had been printed. This was called to their attention, according to the witness, by the returning officer over the long distance telephone. When you recall the fact that the returning officer could neither read nor write you wonder how in the name of common sense he could know. The printer's statement about the manner in which the paper was caught in the roll might account for the consumption of all the paper sent out by the Chief Electoral Officer, but it certainly does not account for the fact that there were two sets of ballots printed. Then, again, it was amply proved that ballots were sent by registered mail to several polls; and it was further established that two or three automobiles at least were driven from one poll to another by persons who were inquiring whether the officers had sufficient ballots, and assuring them that they could supply any deficiencies if need be.

Now, I consider all this a long way from being in accord with the instructions contained in the Elections Act, and I will conclude my remarks by requesting that this report be referred to the committee, that they be asked to submit definite findings covering the matter of the stamp, and that some recommendation be brought in to deal with these officials. Certainly it is a disgrace to Canada if they are to be allowed to continue holding positions in the civil service while being guilty of such irregularities as have been proven in this report.

Mr. J. L. BROWN (Lisgar): I did not expect when the motion was introduced that I should be drawn into the discussion, but in view of the utterly uncalled for remarks of the hon. member who has spoken (Mr. Kellner) I cannot allow the occasion to pass without some comment. Hon. members who were associated with us last year will recall that in our caucus, when the matter was discussed and this subject was brought to our attention, as to the corruption that prevailed in the Athabaska election, I was one who strongly insisted that we should stand behind the member for Athabaska, who had suffered from these malpractices, and that we should stand behind him even to the extent of affording him financial assistance in bringing the question before the House. In view of that fact, I feel that his remarks were absolutely uncalled for. We have had a number of references made to the position occupied by this group and I want to say that for myself, and

I believe I can speak for those more directly associated with me, I am not prepared to stand for anything in the way of electoral corruption. When the time comes, if it does come, we will be found insisting that those who have been directly responsible or in any way personally responsible for the practices which have prevailed, be visited with the full penalty of the law. In view of this situation I think a very humble apology is due this group from the hon. member who has just spoken.

Hon. ERNEST LAPOINTE (Minister of Justice): The attention of this House was called to the famous Athabaska election for the first time during the course of last session, when a petition was presented to the House of Commons under chapter 8 of the revised statutes of Canada. The petition was signed by twenty-five or more electors of that constituency, and represented that the time for acting under the Controverted Elections Act having expired, a commission be appointed under the authority of this House, by the Governor General in Council, for the purpose of determining whether or not corrupt practices had taken place during that election. The House of Commons did act under that petition and requested the Governor General in Council to select a commissioner from various names contained in the motion, and a commissioner was appointed under the chapter I have already mentioned.

Under this law the commissioner must report to the Governor General the evidence taken and what he finds concerning the investigation, and that was done. Mr. Justice Clarke, who I am pleased to say is one of the most eminent members of the judiciary of Canada, made an interim and a final report, which mentioned certain persons as having been found guilty of corrupt practices. Section 31 of chapter 8 reads as follows:

> Whenever it appears by the report of the commissioners under this act that any person named by them has been guilty of a corrupt practice and has not been furnished by them with a certificate of indemnity, such report with the evidence taken by the commissioners shall be laid before the Attorney General of Canada, who shall, if in his opinion there is sufficient evidence available for a prosecution, certify such opinion to the Secretary of State, who shall thereupon communicate the report with the evidence to the Lieutenant Governor of the province in which the election was held.

When the interim report was forward by Mr. Justice Clarke the Solicitor General, who was then Acting Minister of Justice and Acting Attorney General of Canada, immediately sent it with his certificate to the Secretary of State, and when the final report was received I myself did the same thing. The requirements of the law were met, and if proceedings have not been instituted, as to which I do not know, we would not be responsible; it is up to the Attorney General of the province of Alberta, who under the law must institute such proceedings.

Let me say to my hon. friend that as Minister of Justice I will be only to glad to associate a counsel with the local representatives of the province of Alberta in any proceedings which may be taken as a result of those frauds which took place during that election. I am in favour of the motion, and I may also say that if, as a result of this being referred to the committee on privileges and elections, some way may be found to prevent electoral corruption as it seems to have prevailed in that election, I and those who sit with me on this side of the House will be only too glad to associate with my hon. friend in that respect.

Hon. HUGH GUTHRIE (Leader of the Opposition): Mr. Speaker, I think the House will agree with me that the hon. member for Athabaska (Mr. Kellner) has this afternoon made one of the most serious and most damning indictments against officers of this House and civil servants of this country that has been made in the parliament of Canada for many days. I noticed that when the motion was made this afternoon to refer these reports to the committee on privileges and elections, the Minister of Justice (Mr. Lapointe) immediately asked, "For what purpose?" Until hon. members spoke in the House this afternoon the government would seem to have been lulled to rest with the idea that their full duty had been completed when they delivered the reports to the Secretary of State and the Secretary of State in turn delivered them to the provincial attorney general.

The indictment laid before the House today goes much deeper than that. These reports of Mr. Justice Clarke have been in the hands of this government for four months, and the House will be anxious to know at this time what steps the government have taken under the law in regard to these election officials, and what steps have been taken in regard to the civil servants of this country who were guilty of gross wrong doing and in some cases of serious crime. I gather from the remarks of the hon. member for Athabaska this afternoon that many of these people are still in the service of the Dominion government notwithstanding the crimes that have been actually proved against them in that investigation. If this be so, what is the reason? Has the government taken no action in the matter? Has the government quietly taken

the position that having referred the matter to the local attorney general their duty is at an end? The Attorney General of Alberta has nothing to do with the civil service of Canada and he has nothing to do with our postmasters, so why has not this government taken some action?

There is just one other thought in this connection. We had another investigation in the western part of Canada last year in regard to election irregularities.

Mr. ROBB: Before my hon. friend leaves that, is he laying down the principle now that every civil servant who took part in the election should be dismissed?

Mr. GUTHRIE: No; I am not, and my hon. friend should know that from my remarks. I am referring to those who are alleged to have been guilty of perjury, forgery and the like, as has been found by this report. Now I wish to refer to another case which came up for investigation last spring before the criminal courts of this country, in which the most gross frauds were proved. Officials of this House carrying on the elections were proved to be guilty of serious offences and were sentenced to severe penalties and terms of imprisonment. But I am informed to-day that two of these criminals have already been set at liberty although their full terms have not been served. I am also told that in the very near future another notorious official named Baldy Robb will also be given his liberty under ticket-of-leave, or by some process of the Department of Justice. I mention the matter in order, if I can, to stop the ticket-of-leave in that instance; I trust that the bringing up of this subject to-day will stop all negotiations for it. I was for a few days last July in the Department of Justice as acting minister. I know that Baldy Robb was sentenced about the beginning of May to a long term in the penitentiary, I think five years, and although he had only served from two to two and a half months at that time, already largely signed petitions, containing the names of political supporters of the government, were coming in from that western country asking for a remission of the penalty imposed. I hope Baldy Robb has not been granted any release or any ticket-of-leave. I hope none of those who were sentenced for irregularities last spring have been leniently dealt with. I hope also that this House will insist that this government take action at once in regard to those officials, those civil servants in the employ of this country, who have been found to be guilty of gross irregularities, and in many cases of serious crimes, in connection with the Athabaska election.

Hon. CHARLES STEWART (Edmonton, Minister of the Interior): I would not have risen except for one reference of the hon. member for Athabaska (Mr. Kellner), namely, to my knowledge of Mr. Deyl and Mr. Lawler, although the hon. gentleman did not couple Mr. Lawler's name with that of Mr. Deyl. May I say that all who know the history of the province of Alberta are well acquainted with my actions in connection with all the chief actors who figured in this investigation?

Mr. Cross was attorney general in the government of which I had the honour to be the head. We disagreed, and he left the government, so that I take no responsibility for Mr. Cross.

With respect to Mr. Deyl, he was employed in the lands registry office at Edmonton, and left the service shortly after I became premier of the province. I never had anything to do with Mr. Lawler, nor was he ever employed in an official capacity while I had charge of affairs in Alberta. It seems to me that when this matter is referred to the committee the fullest investigation should be held. So far as I am personally concerned, I have no desire to shield anyone. My opinion is that everyone should pay the full penalty for his actions; and if anything can be discovered by the committee that will in any way prevent a recurrence of this sort of thing, I shall only be too happy to associate myself with such action and do all I can to forward it.

May I say, however, with reference to the remarks made by the leader of the opposition, that while I followed the newspaper reports —because I may say for the information of the House those reports were coming out every day during our election campaign in Edmonton last fall, and they were not doing the Liberal party any particular good, especially my colleague and I in the city of Edmonton—I had no knowledge that there was any official of the Department of the Interior implicated in any of these irregularities. Perhaps I have been recreant in my duty inasmuch as I have not read Judge Clarke's report in its entirety, but if amongst those mentioned in that report there is any employee of the Department of the Interior, employed even in the most humble capacity, then he or she will be dismissed at once. That has been the rule I have always sought to follow in my public life which has extended over eighteen years; and I wish to say definitely that not one official proved to have been guilty of improper conduct will remain in the government service even if he is only drawing a dollar a year—because these sub-offices of

the Dominion Lands branch are very humble positions as hon. gentlemen will readily understand.

But may I say in reply to my hon. friend that one of the things I consider most grossly unfair is this: I have followed the evidence carefully in the press. There were at least ten or fifteen individuals who came forward and gave evidence upon which they were given immunity. Now, if anything could be said to be worse than actions of the three or four individuals that were convicted, then the actions of the others were worse. Yet they were given immunity and are at large, and apparently the intention is that they shall remain at large.

With respect to Deyl and Lawler, I believe the provincial government are endeavouring to locate and punish them.

Mr. BENNETT: There are warrants out for them.

Mr. STEWART (Edmonton): Yes, and they are the individuals who are responsible for most of the rascality, not the poor unfortunate Italian, Billos.

As for Harry Bowtell, I have no excuse to offer for him. He had full knowledge of what he was doing and should take the consequences. But there are some of the others who were in gaol, and who have been freed on parole, who committed crimes not nearly as heinous as those offenders who are still at large.

Mr. GUTHRIE: Have some who were found guilty been actually paroled?

Mr. STEWART (Edmonton): Yes, two or three of them.

Mr. GUTHRIE: Is Baldy Robb one of them?

Mr. STEWART (Edmonton): These men were convicted before the Clarke inquiry; they were not subject to investigation at that inquiry, but they were implicated in the election frauds. May I say that if there was any excuse what I have referred to might be offered as such. Furthermore, the petition was signed by almost every resident in the neighbourhood in which these individuals live, as well as throughout the district of Athabaska. I believe that when the citizens signed that petition they had in mind the fact that all the guilty parties were not receiving like punishment in connection with this matter.

Mr. BENNETT: I think my hon. friend has misunderstood the position. Those who were given immunity could not be convicted but they confessed, and they confessed because they got immunity. That is the position.

Mr. STEWART (Edmonton): Exactly. I may not have stated the position as lucidly as I might but I quite understand that point. But although they confessed and received immunity my statement is that they were equally as guilty of wrongdoing as the individuals who were convicted by the judge prior to that time.

Mr. BENNETT: But they could not be convicted because they had been given immunity, and they received immunity because they confessed.

Mr. STEWART (Edmonton): But they were equally guilty with those who were punished. As I say, there have been very largely signed petitions asking for parole. It is equally true that a very largely signed petition has been received, with respect to Baldy Robb, and on the petition is the signature of the gentleman who represented the Conservative party in the constituency of Peace River. The petition asks that Baldy Robb be paroled. I have nothing to say with respect to him. Baldy Robb has done as much injury to the Liberal party as any individual possibly could do in years gone by. Why he changed his allegiance is beyond me, and I have no brief for him. But he did change, and possibly this time was more reckless than he had been in the past. At all events he is in gaol for five years. However, the fact remains that a very large number of people have been persuaded or they believe that he should also be given the benefit of a parole notwithstanding the crime which he committed. I am not arguing that point. My hon. friend (Mr. Guthrie) says this man should be made to serve his sentence for the crime of which he has been convicted. I have not a word to say in this connection except to repeat what I said in the first instance, that the men who were responsible for most of the rascality that prevailed, particularly in the district of Athabaska, as I have seen it in the press, are out of the country. True, there is a warrant out for their arrest, and I hope they will be apprehended, and that justice will be meted out to them, because I think most of the other individuals up there were their innocent dupes.

Mr. BELL (Hamilton): Are we to understand that exclusive altogether of the case of Robb, only those have been paroled who secured immunity by confessing?

Mr. STEWART (Edmonton): No, they never were convicted.

Mr. BELL (Hamilton): Then there are others to whom clemency has been extended, without their having secured the pseudo-right to it by confession?

Mr. LAPOINTE: No clemency was extended to those who were given immunity.

Hon. LUCIEN CANNON (Solicitor General): In answer to the question put by the hon. member for West Hamilton (Mr. Bell), the discussion this afternoon, Mr. Speaker, only goes to show how difficult it is to keep the administration of justice outside of politics. A question has been brought before the House by the hon. member for Peace River (Mr. Kennedy), and I have no doubt that every member of this House, no matter to which party he may belong, is of the one opinion, and that is that every man who has been implicated in electoral frauds should be prosecuted without mercy, and that justice should prevail.

When Mr. Justice Clarke was appointed by the government, an investigation full and complete was held. Reports were made, two in number, the first being an interim report, and the second a final report. When the interim report was transmitted to Ottawa, my hon. friend the Minister of Justice (Mr. Lapointe) being away at the time attending the Imperial conference, and I being then acting minister, I followed the law to the very strictest letter and in the very strictest spirit, and saw that every means was taken in order that the reports should be dealt with according to our law, and I do not think that any fair criticism can be made of the attitude and conduct of the Department of Justice in relation to the reports filed by Mr. Justice Clarke. Proceedings, if any are to be instituted, are to be instituted not by the federal authorities, but by the provincial authorities of the province of Alberta, and the attorney general of that province is at perfect liberty to institute whichever proceedings he may deem mete. The law provides that in so far as the Attorney General of Canada is concerned, he may appoint counsel to act in conjunction with the counsel appointed by the provincial government. My learned friend the Minister of Justice stated a moment ago that this government was perfectly willing to do so if occasion should arise.

In conclusion, when these two reports are laid before the committee on privileges and elections, I believe that every member sitting on that committee will be moved by one, common spirit, and that is to try and devise means of preventing any such things happening in the future as were proved to have happened in that constituency in the election of 1925.

As Solicitor General, having in charge the remission branch of the Justice department, I wish to make answer to the remarks of the hon. leader of the opposition (Mr. Guthrie) in regard to the paroling of two persons convicted of electoral frauds in the constituency of Peace River. The leader of the opposition mentioned the case of Baldy Robb. Firstly, Baldy Robb is in no way connected with the Athabaska election, and has absolutely nothing to do with Mr. Justice Clarke's reports. His activities were confined, and we may thank heaven that they were, to one constituency—the constituency of Peace River. I realize, listening to what has been said in this House this afternoon, and listening to the question put by the hon. member for West Hamilton (Mr. Bell), how careful we must be when dealing with remission cases. Reproaches have been levelled at me for having taken certain action. My hands, Mr. Speaker, are tied, and the leader of the opposition knows it. He has been Solicitor General in former governments, and he knows that every record in the remission branch, for motives and reasons of public interest, is confidential and cannot be brought before this House. I shall treat these files as confidential. I shall not try and screen my own responsibility by bringing before this House facts which are supposed, in the public interest, to remain confidential. The decisions which were taken were decisions which I took after mature consideration of all the circumstances. I have been a member of the bar of my province for over fifteen years. My family possesses certain judicial traditions which I cannot ignore, and my reputation as a member of the bar puts me away beyond any imputation that I might have been actuated by political motives.

Mr. KELLNER: I would like to make this statement to the House. I myself signed the petition for paroling these two men. I think in fairness to the Solicitor General I should say that.

Mr. CANNON: I congratulate the hon. member upon his remark. I had no intention of mentioning his name, any more than I have the intention of mentioning the names of other people who are close to the leader of the opposition, and who came to see me asking that these people be paroled. Last year, sitting in this very seat, was a minister, also from my own province, and of about the same age as myself. He took action upon

certain representations made by fellow-members. He is no longer here because politics intervened with decisions that should be left to the fairness of the judgment of the minister, and we, as ministers, trust that when fellow-members come and make representations to us, they should have a spirit of honour sufficient to make them stand by their representations even when they come back to the House.

As to the case of Baldy Robb, Mr. Speaker, I am not going to say that this man will remain in gaol five years or four years or three years. I will say that he will be treated with justice notwithstanding what politicians may say.

Hon. R. B. BENNETT (West Calgary): Mr. Speaker, I think all members in this House might well agree that the degredation of our institutions has reached a point where by our combined effort we should do everything within our power to prevent it continuing further, and I do appeal to the government to give attention and consideration to the motion which has been made to the House for the purpose of enabling, first, recommendations to be made with respect to the election law of Canada.

It does seem to me incredible that a man who cannot read or write should be appointed a returning officer in these days. It does seem to me incredible that two men could be moved from Seattle and placed in charge of an election in Alberta. Yet that is what happened. It does seem to me incredible that men should be paid out of the public exchequer large sums of money for preparing lists of electors, which work consisted of taking pieces of paper, writing indiscriminately a number of names upon them, and then voting them at a poll behind a bush. That admission seems incredible and yet that happened in Canada, according to the evidence given before Mr. Justice Clarke in 1926.

The point is that the hon. member for Peace River (Mr. Kennedy) this afternoon moved, seconded by the hon. member for Athabaska (Mr. Kellner), that this report of the Hon. Mr. Justice Clarke should go to the committee on privileges and elections for the purpose of enabling such recommendations to be made to this House as might prevent a repetition of the conditions to which I have referred. I think it is not, as the Solicitor General (Mr. Cannon) has said, a matter of politics at all.

Mr. CANNON: I never said that.

Mr. BENNETT: I gathered that the Solicitor General stated that this matter should be dealt with, not as a political matter, but as a matter fundamentally affecting questions of right and wrong.

Mr. CANNON: Yes.

Mr. BENNETT: I am sorry if I misunderstood him and he intends that it be dealt with as a political matter.

Mr. CANNON: With all due respect to my hon. friend, if he interprets my remarks in that way, I am very sorry that his mind this afternoon is not as keen as it used to be.

Mr. BENNETT: I am sorry at the failure of the hon. gentleman to express himself as he would like. What I said a moment ago was that I suggested that this matter should not be treated as a political matter and that the Solicitor General had so indicated. He says: Not at all. I judge that he does desire that it should be treated as a political matter.

Mr. MACKENZIE KING: Will my hon. friend allow me? I have been listening to my hon. friend's remarks, and I think that if he reads his own remarks in Hansard he will find that anyone sitting on this side would have gathered that he was saying that the Solicitor General wished to have the matter treated as a political matter. That is why the Solicitor General rose to make the remark he did. It is just a misunderstanding.

Mr. BENNETT: Then we will say that the Solicitor General does not desire to treat it as a political matter. That is what I said at the opening of my observations. I am delighted to say that the Solicitor General has approached it from that standpoint. The first matter that should be considered is: What recommendation can the committee make with respect to amending the election laws of this country so as to prevent a repetition of those conditions? The second is also a matter of some importance as it touches the position of the civil servants of this country. Shall a civil servant who has been convicted of a crime or who admits the commission of a crime and has secured immunity by reason of his confession, continue in office? Shall the public service acts of this country not be amended so as to provide that by reason of any confession of that character he shall at once vacate his position?

Mr. MACKENZIE KING: Surely.

Mr. BENNETT: It seems to me that we are agreed upon that and therefore the reference to the committee on that second point is a matter of great importance. There is also the third matter that touches the elections of this country and corrupt practices

generally, the investigation of what can be done to insure the public will being expressed without being subject to temptations, on the one hand to the coercive power of government, and on the other to the destructive power of corruption. These things are not matters that should be lightly treated. During the time that I have lived in western Canada—and the Minister of the Interior (Mr. Stewart) has made some reference to his experiences there—in certain parts of the west for a period of twenty-five years a studied system of corruption prevailed. An effort was made on a large scale to prevent the public will finding expression. I do not think we should blame parties in that respect at all. I know what the temptations are with respect to matters of that character. We know that decent, respectable citizens will not lend themselves to those things; but we know there are camp followers, men behind, men who are not only corrupted themselves but who are willing to corrupt others. We know there are men who are ready and willing at all times to do what we are pleased to call "dirty work", and then after the matter is over they come and ask administrations and sometimes they brow-beat administrations to give them consideration to which they are not entitled.

The Minister of the Interior referred to two such persons this afternoon and I quite agree with him that they occupied in Alberta positions which they should not have occupied. They did work which has had a baneful and injurious effect upon the public life of that province. The same thing happened in Saskatchewan. We had in the journal of that legislature, as read here last session, a record of that condition of affairs. This House should use its every effort to stop that sort of thing because, if we do not prevent it, our very democratic institutions are destroyed and responsible government has indeed become valueless in this country. That is the reason that the motion made this afternoon by the hon. member meets with my approval, although not with the hope that we shall be able at once to change this condition of affairs.

A very distinguished statesman, the late Dr. Weldon, came into this House of Commons, and he was so impressed with the dangers to democracy on account of the conditions to which I alluded, that he endeavoured to place upon the statute books short provisions whereby men might lose their franchise under certain conditions. This has been a dead letter although he had hoped for great things of it, and one of the real difficulties that threatens the life of this country to-day is electoral corruption on a very large scale throughout this Dominion. When I say "electoral corruption" I do not mean going out and buying votes. That is not what I have in mind at all. I mean the means used by which the free will of the people cannot be expressed, by which enormous sums of money are expended in an ordinary election, and it seems to me that we should follow the method which they have been compelled to adopt in England of limiting the amount of money that may be expended in elections.

I remember a friend of mine travelling on the train not long ago after the election of 1925, saying that two passengers on the train had been speaking and one said to the other that Bennett had spent $70,000 in the election in West Calgary. I am pleased to say that the return which I made covered every single sou that was expended by me with respect to that election and the election of last fall. But elections cost too much money and moreover so do the contributions that are enforced for the purpose of enabling them to be contested. We should have recourse to the provisions that obtain in the English law, whereby a limit is placed upon the amount that may be expended in any one constituency. In England, as hon. members know, the member has to pay the sheriff or the returning officer with respect to these things. I look upon the reference of this matter to this committee as affording an opportunity for it to make recommendations in regard to amending the statutes to which I have referred.

It is also not right to say that the blame attaches to any one party. I do not believe that, because I know there is no magic in belonging to one party in so far as virtue in an election is concerned. The whole fact is that sometimes those who are opposite to us are more astute in being able to manipulate the public will than we are, with a result that is detrimental to this country, returning them to power and leaving us in the opposition. That is another matter entirely; but astuteness in manipulation comes only from long practice, and it will be remembered that the Liberal party was in power for a much longer time in Canada, from 1896 to 1911, than the Conservative party was from 1911 to 1917. I suppose in the minds of some hon. gentlemen that may account for the result. It seems to me, however, that men should not occupy public positions and receive public moneys in this country who have been convicted of offences to which I have alluded or who have made confessions to that effect.

One point the Minister of the Interior dealt with, that I should like to clear up, is this. He contended in his observations that men

should be released on parole or on ticket of leave because others had received immunity who were guilty of equally offensive violations of the statute. That is hardly fair. The guilt of the men who made the confession would not be known but for their confession. The crown endeavoured by every means in its power to secure sufficient evidence to convict them, but these crimes in many instances were done in the dark and—

Mr. STEWART (Edmonton): My hon. friend is not correct there. The three who came before the court prior to the appointment of Mr. Justice Clarke as investigator were convicted and sentenced, and I am bound to think that had the others come before the court they too would have been convicted.

Mr. BENNETT: My friend the Minister of the Interior perhaps has not followed this case as carefully as he should. Some were acquitted, some were convicted in the courts, but those who received immunity from the Hon. Mr. Justice Clarke received it in consequence of making confessions,—

Mr. STEWART (Edmonton): Quite so.

Mr. BENNETT: —and there was no testimony by which they could be convicted because, as they themselves admitted when they went into the witness box, in many instances they did those crimes alone in the darkness of the night, in some instances they prepared the lists and put names upon them when nobody was looking at them. My friend will remember that two of them, co-conspirators, went into the darkness behind a tree and there fixed up the ballot boxes. With respect to the printing of the ballots, a great effort was made to fix responsibility, but Mr. Deyl and Mr. Lawler had gone out of the country, and there was nobody else on whom could be fastened blame with respect to the ballot papers referred to by the hon. member for Athabaska.

Now, I should like to bring this to the attention of the Solicitor General (Mr. Cannon). The Minister of the Interior has asserted the doctrine that where a man confesses to a crime which could not be proven, and thereby secures immunity, those who pleaded not guilty, but were convicted, should receive lenient treatment from the crown, and a recommendation should be made by the law officers to the Governor General for their relief, merely because they were equally guilty. That principle is not sound.

[Mr. Bennett.]

Mr. CANNON: Will my hon. friend allow me? For his own information I may state that we give our law to the Minister of the Interior whenever he wants it; he never gives us any.

Mr. BENNETT: Of course, the observation of the Solicitor General indicates how lightly he really does consider this very serious matter.

Mr. CANNON: No.

Mr. BENNETT: Nothing could better illustrate the absolute lack of sincerity of his observations in connection with this election scandal than the closing observation he has made to this House.

Mr. CANNON: Mr. Speaker, we are at the opening of a new parliament, and I want to tell the hon. member for West Calgary—

Mr. BENNETT: What has that to do with the matter?

Mr. CANNON: I want to tell him that I am not going to stand either from him or any other member such remarks as he has just made. My hon. friend is a member of the bar—

Mr. BENNETT: Mr. Speaker, if the hon. minister has a question of order or a question of privilege let him state it.

Mr. SPEAKER: Order.

Mr. CANNON: It is a question of privilege. My hon. friend is a member of the bar, and he certainly has no right to allege lack of sincerity on my part in what I have said to the House. The remark I made is to the effect that I am one of the law officers in this government. Therefore the legal principles on which we are to base decisions are to be decided by the Minister of Justice and the Solicitor General, not by the Minister of the Interior who is a layman. My hon. friend knows perfectly well—

Mr. BENNETT: Mr. Speaker, surely this must not be allowed to continue.

Mr. SPEAKER: A point of order has been raised. I do not see where any point of order comes in.

Mr. BENNETT: Nor does anybody else. but Your Honour permitted the Solicitor General to get away with it.

Mr. SPEAKER: When an hon. member rises to a question of privilege or a point of

order, I must listen to what he has to say. I do not consider that there is a point of order in this instance.

Mr. CANNON: The hon. gentleman has no right to accuse me of a lack of sincerity and there is no point of order in connection with such a charge. It is a question of privilege.

Mr. BENNETT: I was about to say that the Minister of the Interior (Mr. Stewart) had confused two matters, and I know enough about government, without being instructed by the Solicitor General, to be aware that in matters affecting the release of prisoners it has been customary from time immemorial for ministers to speak to the law officers of the crown. I remember distinctly the case of Baldy Robb and two others being spoken to during the fall. I recall an expression of my own opinion with respect to the matter to the effect that it was important that an example be made. It is far more important —this is the attitude I took—that the law should be vindicated, though not vindictively, and that its majesty be upheld than that feelings of sympathy should prevail in relation to any individual. We have all experienced those things; every man in public life knows that he has to make the choice between sympathy and public duty. His sympathies naturally impel him to do what the hon. member for Athabaska (Mr. Kellner) rose in his place to-day and so admirably stated— "I signed a petition for the parole of these two prisoners, for the reason that my sympathy found expression in the act." That was done to change and mould the opinion of the Solicitor General and of the Minister of Justice favourably towards the request. But as a public servant, owing a duty to the public, it is not open to any public man occupying a position of trust to sign any petition for the release of any prisoner under a system of ticket-of-leave. And we all know it. Time and time again I have had to refuse such requests by virtue of my representative position. I could not act in my capacity as a private citizen and lend the support of my official authority to a petition of that character, however it might affect the friendly disposition of the Minister of Justice or of the Solicitor General, whose human sympathies we all take for granted and whose desire to do what the Solicitor General describes as justice we do not question. But there is no such thing as justice with respect to tickets-of-leave; it is merely a question of the exercise of discretion, founded upon judicial opinion, sometimes that of a judge, sometimes the views of penitentiary authorities or, perhaps, those of persons in charge of gaols, as to whether or not the release of a particular individual will enable him to start over again, to begin a new life under fresh conditions and overcome the peculiar difficulties that surrounded him in his first or second offence, as the case may be. Everyone who has read the life of that leader of the church army in England, Prebendary Carlisle, will understand thoroughly what has been done with reference to matters of this sort. Now and then it is possible to pick out a man and to say, "Here is material out of which a real man can be developed. Here is a case in which a ticket-of-leave may safely be granted." Where there has been inexperience in connection with the commission of a crime, or where the other factors are such as to render it advisable, one may support the granting of parole. But in the case of a man of a notorious past, who has exercised political influence improperly in days gone by for one party or the other, it is important that the law should be vindicated in order that the public at large may appreciate the inevitable character of the consequences that follow upon wrongdoing. People should be made to understand that forgery, the manipulation of ballots, the destruction of ballot boxes, the marking of ballots otherwise than in the manner contemplated by statute are all contrary to the law and that any violation of the law in any of these respects shall be visited with rigid puishment, so that those newcomers who are to attain Canadian citizenship shall respect the institutions of the country. They should be made to understand that such lawbreaking as this is not to be tolerated, and that the law will be enforced whatever may be the result.

That is the attitude we should take with respect to such a question as this, and that is the reason attention is directed to it this afternoon. No one has any vindictive feeling against Baldy Robb. I have known him for over fifteen years and, were I to consider feelings of sympathy alone, I should desire to do him a good turn to-morrow, just as I would any other man, whether he were for or against me. But I cannot permit myself to become a party to the release of one who has boastingly said, "I have the power and the influence to be out of gaol almost before I get there." And this was his boast made

openly as reported in the journals of the country at the time. For these reasons I support the motion of the hon. member for Athabaska, in the hope that the members of the committee, realizing the enormity of these offences—although sometimes some of us may be tempted to smile at what we may consider something not so grave—which threaten the life of our democracy, which are injurious to the very wellbeing of our responsible institutions, and which in the long run will sound the death-knell of the things about which we should be greatly concerned. It is, I say, for these reasons and in the hope that the committee will make, with respect to the Elections Act and the Civil Service Act, as well as other statutes, such suggestions as will ensure the ordered and well regulated conduct of elections, free from the conditions that have obtained in Athabaska and Peace River, and in the hope, further, that we may be able to place upon the statute books a greater safeguard in the light of these occurrences, that I propose to give my support to the motion which has been introduced.

Mr. C. H. CAHAN (St. Lawrence-St. George): With regard to appeals to the Department of Justice for remissions or tickets-of-leave, this is a matter that must depend upon the judgment of individual members of the House. I have myself on one occasion sent a letter to the department stating that I was prepared after a thorough investigation to stand on the floor of the House and support such a remission, and I would do the same thing again if a similar occasion arose, because the fact that I am a member of parliament does not deprive me of my right as an individual member of society to see that justice is done. The case to which I refer had nothing to do with election trials or frauds; it had to do with a temporarily insane man who was found guilty of having $2.50 or less in his pocket, which money, during the period of his insanity, he had not returned to his principals, and who was sentenced to the penitentiary for a term of three years. I considered this an injustice and said so, declaring that I was prepared to vindicate that stand in the House of Commons.

I trust, however, Mr. Speaker, that when this report is sent to the committee on privileges and elections they will feel that they have the sanction of the House for making a pretty thorough inquiry into the whole matter of the preparation of the electoral lists. I do not know anything about the preparation of such lists in other provinces, but I have had experience for two years in one constituency in the island of Montreal. I am blaming no one; I make no charges, but I shall say what I found there.

In the election of 1925 I was convinced, from the reports of my committee, that there were a large number of names on that list of persons who had no residence within that constituency of St. Lawrence-St. George, and who had not resided there for many years. After the election was over, in order to satisfy my curiosity, I employed a number of men who were experts in the preparation of directories and publications of that character, and I had them working during the months of November, December, January, February and March. Throughout those five months they went through the constituency finding out what names were on the lists for the election of 1925 of persons who were not residents in the constituency, and they found that over 2,000 fictitious names were on the federal list, some 900 impersonations having been voted in the election by means of this false list, not one of them voting for myself.

When it came to the preparation of the electoral list for the last election of 1926 I had a store of information available. My committee had to send out men to ascertain whether on a certain date in May persons of the same names were entitled to be on the list. We received a return from the provincial reviser for the city of Montreal, and tracing down that provincial list which we received in 1926 as a basis for the preparation of the list for the federal election of 1926, we found over 2,000 fictitious names on the list for the federal constituency of St. Lawrence-St. George, these names having been derived from the provincial lists. We did nothing behind anyone's back. We made a list of these fictitious names and gave the committee of our opponents complete access to it. We also gave them a list of over 2,000 individual affidavits which we had prepared in order to make a proper legal protest against these names being retained on the federal list for that district. Now, the preparation of 2,000 individual affidavits after 2,000 individual searches is an expensive matter. The committee on the other side, taking a list of over 2,000 found 175 or thereabouts which they said were the names of persons resident in the district formerly, who had removed to some other street in the district. They acted as fairly in the matter as we did, and I give them every credit. They desired to see that the revision was properly done, after their attention had been directed to the

matter. We each sent one representative to run down these 175 names in dispute, but I do not know what came of it, because I personally paid no more attention to the matter.

I do say that there is something radically wrong in the preparation of the lists in such a constituency as St. Lawrence-St. George when 2,000 fictitious names may be incorporated in the federal lists from the returns of the provincial revising officer. When the local provincial revisions was recently going on, I thought, although I may never run another election in St. Lawrence-St. George, that out of curiosity I would find out how the provincial list in the city of Montreal was prepared, and, during the last revision a couple of months ago, I sought to check the names going on the provincial list for the two provincial constituencies of St. Lawrence and St. George. I found that under our system of provincial registration in the city of Montreal, it is possible for a person residing in or purporting to reside in St. Lawrence or in St. George to register his name for those districts with any registrar in any other electoral district of the island of Montreal, so that in order to check the names going on the lists for St. Lawrence and for St. George I would have to send fifty of sixty representatives to fifty or sixty registration booths in all parts of the island, covering constituency after constituency —an impossible task, and one far beyond my financial resources.

But I will defy any man in the city of Montreal or elsewhere to point to one single dollar spent by me or by my committee in those two last federal elections for any improper purpose. There was not a single dollar expended which was not vouched for. If I remember correctly, in order to secure a proper revision of these lists, and to see that no fraud was perpetrated, the expenditure in the 1925 election ran up to something like $25,000 while in the election of 1926 it was something like $14,000. I am trusting to memory. Now, there is $40,000 which a candidate for the House of Commons from that constituency is compelled to spend, not one dollar of it being devoted to fraudulent or corrupt purposes, but simply for the purpose of securing as correct a list as possible, and for the further purpose of preventing the impersonation of voters at the election. Talk about limiting the expenditure of money, as the hon. member who preceded me (Mr. Bennett) suggested! Before you limit the expenditure of money in an election under conditions such as these, you must take efficient means to secure a reliable registration list. As I am saying this I am glad to note that the Minister of Justice (Mr. Lapointe) nods his assent, because I will say that he and many of his friends on the Liberal side in the city of Montreal take exactly the same position as I take, and leading Liberals of Montreal are as anxious as I am, I believe, to have a correct list. I am making no partisan charge in that regard, but as I will soon disappear from the political stage, I wish that there may be in Montreal an opportunity for the younger men who are making their way in the industrial, commercial and professional life of that city to play their proper part as candidates for elections to this House. There are many such young men who would be worthy representatives of that city, but owing to the expenses, which are so great, they are utterly deprived of the possibility of ever being elected, no matter what may be their personal efficiency or qualifications for the position. Therefore I do trust that, on both sides of the House, out of the experience of the past and out of the experience of those intimately connected with these elections, we may find some way of procuring an efficient revision, so that when the results are known we may be confident that they are the results of an honest vote on both sides.

Motion agreed to.

SUPPLEMENTARY ESTIMATES FOR 1926-7

A message from His Excellency the Governor General, transmitting further supplementary estimates for the year ending March 31, 1927, was presented by Hon. J. A. Robb (Minister of Finance), read by Mr. Speaker to the House, and referred to the committee of supply.

MAIN ESTIMATES FOR 1927-8

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BILL TO REMOVE NECESSITY OF RE-ELECTION OF MEMBERS ON ACCEPTANCE OF OFFICE

Mr. S. W. JACOBS (Cartier) moved for leave to introduce Bill No. 63, to remove the necessity of the re-election of members of the House of Commons of Canada on acceptance of office.

Hon. ERNEST LAPOINTE (Minister of Justice): Explain.

Mr. JACOBS: The object of this bill is to declare that a member of the House of Commons shall not vacate his seat by reason only of his acceptance of an office of profit under the crown, if that office is an office the holder of which is capable of being elected to or sitting or voting in the House of Commons.

Motion agreed to and bill read the first time.

DEBTS DUE THE CROWN

Hon. CHARLES STEWART (Minister of the Interior) moved that the House go into committee at the next sitting to consider the following proposed resolution:

Resolved, that it is expedient to bring in a measure respecting certain debts due the crown, to provide that the governor in council shall have power to make regulations providing for the apportionment and adjustment of indebtedness incurred for advances of seed grain, fodder for animals and other relief, and to discharge and release in whole or in part any moneys due to His Majesty in respect of either principal or interest or both, as may be considered equitable in the circumstances.

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

Motion agreed to.

THE BUDGET

On the Orders of the Day:

Hon. J. A. ROBB (Minister of Finance): Hon. gentlemen may be interested to know that on Thursday of this week we expect to deliver the annual budget statement.

HOME BANK DEPOSITORS

On the Orders of the Day:

Mr. McGIBBON: I would like to renew the question I asked the Minister of Finance (Mr. Robb) a week ago regarding depositors in the Home Bank.

Hon. J. A. ROBB (Minister of Finance): I am not sure that I recall the question.

[Mr. Cahan.]

Mr. McGIBBON: The question was based on a newspaper report that the judges of the Exchequer court had recommended that the government grant a sum of $500,000 for the further relief of the depositors of the Home Bank.

Mr. ROBB: I have no answer other than that given the other day, that it has not been brought to my attention.

MARITIME CLAIMS

On the Orders of the Day:

Hon. HUGH GUTHRIE (Leader of the Opposition): I would like to put a question to the right hon. Prime Minister in regard to the Duncan report. It is now about two months since that report was laid before parliament, and it contains recommendations of vital interest to the maritime provinces. I am glad to say that these recommendations find very general acceptance on this side of the House, but we are most anxious to know when the government will be prepared to declare their policy in that regard. I do not ask that the policy be outlined now, but if my right hon. friend would give us some idea of when he will be prepared to do so, I think it will be satisfactory in the meantime.

Right Hon. W. L. MACKENZIE KING (Prime Minister): My colleague the Minister of Finance (Mr. Robb) has just announced that he intends to make his budget speech on Thursday of this week and I have no doubt that he will then move that the discussion on the budget proceed forthwith and have precedence over other matters. Hon. members of the House will, I believe, agree that the business of parliament would be expedited if we could get under way with discussion of the budget at an early date, and I think it will be equally apparent that the interest of all will be best served if we deal with the maritime province problem by itself, and do not confuse that issue by its consideration prior to or along with the subject matter of the budget. For that reason the government has sought to bring in the budget as early as possible, with the intention of following the conclusion of the budget debate with a pronouncement with respect to the report of the commission on the maritime provinces' claims.

SALVATION ARMY IMMIGRATION WORK

On the Orders of the Day:

Mr. H. C. HOCKEN (Toronto West Centre): I ask the Minister of Immigration and Colonization if it is the intention of his

department, or of the government, to discontinue the financial assistance which has been given heretofore to the immigration work of the Salvation Army.

Hon. ROBERT FORKE (Minister of Immigration and Colonization): I may say there is no intention of discontinuing the grant for assistance that the Salvation Army get in bringing out immigrants. As I said yesterday in reply to questions that have been asked me, they are getting exactly the same treatment that other people engaged in that work are getting. The army is receiving a grant this year of $25,000 cash for the work that they have been doing. Now, the Dominion government with the Imperial government are paying the passage of the boy immigrants that the Salvation Army are bringing out, and that money is being devoted to that purpose. If the army undertake settlement work along the lines that the Vimy Ridge organization, for example, are carrying on in the province of Ontario, they will receive exactly the same treatment. They will receive no direct grant next year other than the assisted passage paid jointly by the Imperial and Dominion governments.

Mr. HOCKEN: I simply want to get a clear idea of the situation. I understand from the minister that no assistance is to be given to the army in bringing out boys. Is that the idea?

Mr. FORKE: They are getting the assistance of the passage which is paid, the same as other organizations.

Mr. HOCKEN: Is that an imperial arrangement?

Mr. FORKE: No, it is an Imperial and Dominion arrangement under which the Dominion will pay a sum in hard cash on every boy that comes out, and which will amount to quite a large sum in the aggregate. I may say for the information of my hon. friend that some little trouble has arisen over the after-care of boy immigrants. The Salvation Army have claimed or sought a grant because they give after-care to these boys. The department, however, have taken the stand that they have a fully equipped staff capable of giving the after-care to boy immigrants, and consequently that they are not justified in making a grant to the army for doing exactly the same work that they are doing. We shall always be glad to have the Salvation Army, or any other organization, give whatever care they deem necessary to the immigrants they are particularly interested in. When the immigration estimates are before the House I will give full information concerning all the different immigration schemes as regards both adults and boys coming to Canada from the British Isles.

5 p.m.

GRAND TRUNK PACIFIC RAILWAY COMPANY

SUBSTITUTION OF CANADIAN NATIONAL FOR GRAND TRUNK PACIFIC SECURITIES

Hon. CHARLES A. DUNNING (Minister of Railways and Canals) moved that the House go into committee on Bill No. 57, respecting the Grand Trunk Pacific Railway Company, and respecting the Canadian National Railways.

Motion agreed to, and the House went into committee, Mr. Johnston in the chair.

Mr. DUNNING: The bill now before the committee, is, I think, completed. I only desire to draw attention to one or two clerical errors which occur on pages 8 and 9 merely involving the change from 1926 to 1927. I am informed, however, that the law clerk of the House will be authorized to make such minor changes as that.

Bill reported, read the third time and passed.

SPECIAL WAR REVENUE ACT, 1915, AMENDMENT

The House again in committee on Bill No. 59, to amend the Special War Revenue Act, 1915, Mr. Johnston in the chair.

Sections 1 to 8 inclusive agreed to.

On section 9—Excise tax on passenger automobiles not to apply on cars valued at not more than $1,200.

Mr. BARBER: I wish to draw the attention of the minister to a question which has arisen under the budget of last year which it seems to me can be appropriately discussed in connection with this section. It appears that under tariff item No. 438-B, automobiles entering Canada from the United States, valued at not more than $1,200, take a rate for duty of 20 per cent, and an excise tax of 5 per cent. Cars valued at over $1,200, under item 438-A, are dutiable at 27½ per cent. In the former case the excise duty is 5 per cent, and in the latter case it is 10 per

cent. The effect seems to be that there is some discrimination against western Canada, and I think it is necessary that I should draw the fact to the attention of the minister. Under these regulations persons importing an automobile valued at $1,150 from Detroit into any point in eastern Canada would pay 20 per cent duty and an excise tax of 5 per cent. But since there is a customs regulation that the amount of the freight from east to west shall be included in the value for duty purposes, the freight in the case of this particular car from Detroit to Seattle would be $100, making the total value for duty $1,250. A person importing an automobile into western Canada would therefore have to pay duty at the rate of 27½ per cent, and an excise duty of 10 per cent. Therefore, there would be some discrimination. Let me show how that works out by giving a sample entry. I have a sample entry here of an eastern importer, for instance, as follows:

Eastern Importer:—	
Automobile. Value for duty $1,150.	
Duty at 20%	$230 00
Sales tax 5%	69 00
Excise tax 5%	69 00
Total	$368 00
Western Importer:—	
Automobile. Value	$1,150
Freight	100
Total value for duty	$1,250
Duty at 27½%	$343 75
Sales tax at 5%	79 69
Excise tax at 10%	159 37
Total	$582 81

The sales tax and the excise tax are, of course, computed on the duty paid value. This makes an increase in the cost of the car to the man in British Columbia who imports from Seattle of $214.81. In other words, the Dominion government is collecting $114.81 more on that same car imported into British Columbia than it would on the same car imported into Ontario. As I said before, I think it is only necessary to draw this to the attention of the minister to have it remedied. I would suggest that perhaps the fairest method would be to fix the duty on the list price of the car f.o.b. the place of manufacture.

Mr. ROBB: Apparently this is purely a departmental question, and I shall direct the observations of my hon. friend to the attention of the Department of Customs.

Section agreed to.

Sections 9 to 14 inclusive agreed to.

On the preamble:

Mr. CHURCH: Would the minister mind answering now a short question I wish to put to him which would come more properly on the first section? Does he not think it is a hardship on the large centres of population to maintain the two-cent rate for drop letters, when letters can be posted all over Canada for two cents? The revenue of the Toronto post office, for instance. is $6,000,000, and are the cities to continue to carry the deficits in the postal service in other parts of the country? With all due respect, I think this concession should be made to the working people in the large centres of population, where the bulk of the post office business is done, and where the bulk of the post office revenue comes from. Does not the minister think the time has come to restore the one cent rate for drop letters in cities?

Mr. ROBB: When the tax was reduced last year restoring penny postage in Canada, I explained that it was a business proposition. As regards the question of revenue, when the budget statement is presented on Thursday I shall place before the House a statement of the revenues of the post office as affected by the changes that have been made, and after that, we shall be in a better position to consider the observations of my hon. friend.

Preamble agreed to.

Bill reported, read the third time and passed.

ST. REGIS INDIAN RESERVE

CONTROL OF ST. LAWRENCE ISLANDS BY SUPERINTENDENT GENERAL

Hon. CHARLES STEWART (Edmonton, Minister of the Interior) moved the second reading of Bill No. 55, to provide for special control by the Superintendent General of Indian Affairs of certain islands in the St. Lawrence river being part of the St. Regis Indian reservation.

Motion agreed to, bill read the second time, and the House went into committee thereon, Mr. Johnston in the chair.

On section 1—Short title.

Sir GEORGE PERLEY: I think the minister had better explain what this bill is intended to do.

Mr. STEWART (Edmonton): The explanation is really all contained in the preamble of the bill. For a great number of years there have been long leases, ninety-nine year leases, granted on certain islands in the St. Lawrence river owned by the St. Regis band of Indians. No Indians have been residing on these islands, and the islands have been leased for this long period at very nominal sums. It will be noted from the preamble that the department has taken action in some cases. Some of the leases have matured, and in other cases action has been taken to break the leases, and the islands are designated in which that has been effected. Further court action is pending in regard to the other islands.

Sir GEORGE PERLEY: Did the courts annul these so-called leases in all cases?

Mr. STEWART (Edmonton): Yes, except in those cases that are still pending. We have succeeded in recovering Lewis island, Snyder island, and Thompson or Macmaster island, and actions are still pending in respect of Thomas or Hamilton island, and what is known as the Easterbrook farm on Cornwall island. It is considered that the revenues derived from these leases are not nearly adequate for the land that is under rental, and we propose to lease them at rentals that will be more commensurate with their value, the proceeds going to the maintenance of the band of St. Regis Indians.

Sir GEORGE PERLEY: Is anybody complaining that this is causing them an injustice?

Mr. STEWART (Edmonton): We have felt that it was an injustice to the St. Regis band that these islands should be leased at such low rentals, and we desire to secure rentals that will be more commensurate with the value of the property. This property of course has become much more valuable in recent years for summer resort purposes and will bring a much higher rental. There was in the old lease a provision that there could be a renewal at the termination of the first lease, so this is what we are doing.

Sir GEORGE PERLEY: Are the present lessees of these islands under the Indian title complaining of this action of the government?

Mr. STEWART (Edmonton): Not that I have heard. The only request I have had registered is that those already in possession under leases should be given the first opportunity to re-lease.

Sir GEORGE PERLEY: I suppose the minister will agree to that?

Mr. STEWART (Edmonton): Yes, I think they are entitled to that.

Mr. GARDINER: How long is it since these leases were first issued?

Mr. STEWART (Edmonton): I have not that in my notes. The leases were for ninety-nine years with a provision in the lease for renewal at the end of that period.

Mr. GARDINER: Do these leases purport to be given by the Indian band?

Mr. STEWART (Edmonton): Yes. They were at all events given by the consent of the band.

Mr. GARDINER: Were these leases in writing?

Mr. STEWART (Edmonton): Yes.

Mr. STEWART (Leeds): Will any of these islands likely be affected by the St. Lawrence power development?

Mr. STEWART (Edmonton): I cannot give that information.

Mr. COOTE: Were the leases signed by the Indians or by the department?

Mr. STEWART (Edmonton): By both, I am given to understand.

Section agreed to.

On section 2—Superintendent to have power to deal with certain islands.

Sir GEORGE PERLEY: It seems to be all right that the department is only to deal with these lands when the old Indian leases are declared by the court null and void. I notice that clause 2 reads that the department may—

—grant leases, licenses or other concessions without the necessity of obtaining a surrender of the said islands from the band.

I do not see anything in this bill stating that the proceeds shall go to the St. Regis Indians, although I understand that is what will happen.

Mr. STEWART (Edmonton): The Indian Act provides in all cases for that. When we come to discuss the amendments to the Indian Act my hon. friend will note that all proceeds of leases go for the benefit of the

band. But as we are not selling the property, but simply taking power to lease these islands, we have inserted in clause 2, this provision to which my hon. friend has referred. These lands are being leased in the interest of the band themselves.

Sir GEORGE PERLEY: Is it not customary to obtain the consent of the band with respect to any dealing with their land?

Mr. STEWART (Edmonton): Yes. In cases where the band is in residence upon the reserve, the Indian Act provides for the consent of the band being obtained, and it is obtained in the ordinary way through their council. But in cases such as this where the Indians are not residing on the land, but it is part of the reserve and the reserve is being used for other purposes, we are asking for power to deal with these lands in this way.

Mr. GUTHRIE: Is the minister sure that these islands are not at or near the proposed development in the river St. Lawrence? They are near Cornwall.

Mr. STEWART (Edmonton): I cannot say.

Mr. GUTHRIE: Would they be used for purposes of the development?

Mr. STEWART (Edmonton): If they are, of course action would have to be taken to get possession of them.

Mr. GUTHRIE: I do not think there should be any alienation of them.

Mr. STEWART (Edmonton): Compensation undoubtedly would have to be made to the Indians for the land.

Mr. GUTHRIE: But there should be no alienation of the islands in the meantime.

Mr. STEWART (Edmonton): We are not asking that power. We are asking power simply to lease them. There will be no alienation of the land from the band itself.

Mr. STEWART (Leeds): These islands should be held as far as possible under public control until it is decided whether in any case they will be required for that development. No leases should be granted in the meantime where such interests might have to be expropriated.

Mr. STEWART (Edmonton): In this legislation we are endeavouring to get away from long leases. Values change very rapidly. Five years are the limit in leasing this land, and in most cases the leases run from year to year. I have not had any representations made to me with respect to leases; but if this should come under the St. Lawrence development, undoubtedly either a sale would be arranged, or the authorities who are dealing with the matter would expropriate the land under the Expropriation Act.

Mr. GUTHRIE: I thought the leases were for the purpose of summer cottages and the like. It strikes me that one of the engineers in my hon. friend's department told me at one time that some of these inslands would be utilized for dam or bridge construction work if the development went on. I think it would be well to safeguard that possibility, because in the event of a five or ten year lease, we might have to expropriate not only the lease but some buildings and the like. There should be a saving clause of some kind.

Mr. STEWART (Edmonton): Something of that sort will occur on these islands. It is occurring on all the islands, and these are not an exception.

Sir GEORGE PERLEY: I have been reading over this proposed legislation, and really it seems to me the only power it gives to the government which it does not have now is to lease these islands without the consent of the band. There is a long preamble telling about the old leases, how they have been cancelled by the court, and how the department is not going to deal with any of these islands unless the old title has been extinguished by the court. Then the bill simply goes on to say, in clause 2, that the department may lease the islands without the consent of the band. I see nothing else in the bill.

Mr. STEWART (Edmonton): That is quite true. This property has never been occupied by the Indians. It is being maintained for their benefit. In cases where we execute leases for grazing or agricultural purposes on the reservation itself, where the Indians are in occupation, the act provides that the Indians shall be consulted. But this is just where the difficulty arises in this case. These lands are not occupied by the Indians and these long term leases have in the past entailed considerable difficulty. In some cases we want to get absolute control of this property for the benefit of the Indians. That is the reason we are asking for this bill.

Sir GEORGE PERLEY: Is there any precedent for the department dealing with the lands of an Indian reserve without the consent of the Indians?

Mr. STEWART (Edmonton): We have that in the Indian Act. Under the recent amendment to the Indian Act we may take that action, but it has not been taken, with the exception of this case. That is why I suggested a bill for the purpose.

Sir GEORGE PERLEY: Why does the minister need a separate bill?

Mr. STEWART (Edmonton): In some particular cases it becomes necessary that we have the authority; but as I say it has never been exercised, because we have always been able to deal amicably with the band, and I am against it in any case where the band is in residence. This is a different situation altogether. A great deal of controversy will arise in connection with leasing these islands and the Indians who do not reside upon them are constantly having representations made to them. We are asking for fairly drastic amendments to the Indian Act, not applying to lands upon which the Indians reside. We are asking in the next bill for some supervision over individuals who seek to act legally for Indians, to solicit subscriptions from them, and so forth. This bill is primarily for the purpose of giving us control of these islands without reference to the band itself.

Sir GEORGE PERLEY: Is there no general clause in the Indian Act to the same effect?

Mr. STEWART (Edmonton): Not giving the power that is asked for here.

Mr. BROWN: There is a band of Indians in whom the ownership is nominally vested now?

Mr. STEWART (Edmonton): Yes, the Regis band. They will get any profits that accrue from the administration of the land.

Mr. COOTE: Why should not the Indians be consulted if it is Indian property?

Mr. STEWART (Edmonton): For the simple reason that this is a group of little islands on some of which there is timber and most of which are of great natural beauty, and we find the utmost difficulty in getting the Indians to agree as to who should have them. We are also troubled by people going to the Indians and agitating them about leases. If we can have control of these islands we shall be able to get a very considerable revenue, which will assist very materially in looking after the welfare of this band.

Mr. COOTE: If the Indian department does not try to get more revenue than it has in other cases of Indian land that it has let without the consent of the band, its control will be to the detriment of the Indians. For my part I do not like to see this House pass legislation removing the land altogether from any right the Indians may have as to its disposition. I brought a case to the attention of this House two years ago where the Indian department deliberately leased land against the vote of the Indians at much less than could have been obtained for it had it been leased by auction or on any other competitive basis.

Mr. STEWART (Edmonton): Mr. Chairman, there is a fixed rate at which Indian lands are leased by the department, six cents per acre for pasture land for cattle and ten cents per acre for sheep. The lease mentioned by my hon. friend carries that rate. For some considerable time we had a great deal of agitation in connection with that case, but I have heard nothing of it recently. Just as valuable land as that referred to is leased for identically the same figure. As one who has to take responsibility for the administration of the Indian Act, I may tell the House that in certain cases we need this authority. We have a great deal of trouble in the administration of the Indian Act. There are agitators in every band, and there are also outside agitators who excite the Indians and give them a false conception of their rights. That has happened on more than one occasion since I have been in charge of the department. I am merely asking here for what is obviously necessary in order to protect these islands and to secure from them a revenue commensurate with their worth for the benefit of the band.

Mr. STEWART (Leeds): What is the area of these islands?

Mr. STEWART (Edmonton): I cannot give my hon. friend that information.

Mr. COOTE: Mr. Chairman, in connection with the reserve which I mentioned a moment ago, I would ask the minister if the Indian department did not there do exactly what he is asking authority for under this bill with respect to these islands? The department simply went ahead and leased that Indian land without the consent of the band, although the band had voted against such leasing. If the department had power to do so in that case under the general act, I do not see why the minister need come now and ask for this special act to do what seems to be the very same thing in connection with other Indian lands.

Mr. STEWART (Edmonton): Mr. Chairman, the lease in question was fully discussed here and I gave an explanation of every detail of it. Due consideration was given to

the whole matter by the commissioner in western Canada, and on his recommendation we made the lease. In certain instances we have power to override agitators in any band We have difficulty at the moment on the Six Nations reserve, and I say frankly that I think the trouble has come about largely because I have tried to be lenient with those Indians. I find in some cases that is not the best policy to pursue, for there is not a single band in which there is not a fair percentage of agitators, who thrive on agitation in preference to working for their living. Those agitators can always stir up a great deal of difficulty for the department. There is a very valuable revenue to be secured from these islands.

Mr. COOTE: I am at a disadvantage because I have not the Indian Act before me, but is there not a provision in that act empowering the superintendent general to go ahead without the consent of the band and lease unoccupied lands as he sees fit?

Mr. STEWART (Edmonton): Not to give us the authority we want under this bill.

Mr. COOTE: It seems to me that the very same thing has been done by the department before under the Indian Act, and that is why I am asking the minister what is the necessity for bringing in this bill.

Mr. STEWART (Edmonton): I am advised by the law officers of my department that the authority asked for under this bill is necessary to give us full control of these islands. We certainly would not ask for this special bill if we had authority under the general act.

Section agreed to.

On section 3—Consent of superintendent required for occupation, etc.

Sir GEORGE PERLEY: Surely the department has the right under the general act to make regulations such as those described in this section to prevent any person going on Indian land and cutting down and carrying away trees.

Mr. STEWART (Edmonton): Of course, no one could do so without being subject to action for trespass, but we are simply making the position clear with respect to these islands. The clause may not be entirely necessary, but I see no harm in it.

Sir GEORGE PERLEY: There is a bill now before the House for the amendment of the general act. I take it for granted that under the general act the department has power to make regulations in the terms of section 3 of this bill. Therefore why the department should be given this power in a special bill is something that I cannot understand. It seems to me that if the department is not satisfied with the general act as it stands in dealing with these and other Indian islands, the minister had better suggest amendments that his officials consider necessary.

Mr. STEWART (Edmonton): I think it is only fair where you are taking absolute control over certain lands that you should designate those lands in a separate piece of legislation. We have general powers for leasing, but we have not power under the Indian Act to take absolute control of any Indian land on behalf of the department. That is what we are seeking to get here.

Sir GEORGE PERLEY: But do not those general powers cover what you are seeking under section 3?

Mr. STEWART (Edmonton): Powers are delegated under the act to the council, subject to the approval of the superintendent general, but in this particular case we are taking power to deal absolutely with these lands, making provision not to dispose of them, but simply to lease them. We are also making regulations with respect to trespass and so forth. The control of the reserves under the Indian Act is primarily with the council, subject to the approval of the superintendent general.

Sir GEORGE PERLEY: That is all right so far as section 2 is concerned, but as to section 3, the minister has not said whether the department has or has not now under the general act the power to make regulations bearing on that section.

Mr. STEWART (Edmonton): As I say, the power is in the council, subject to the approval of the superintendent general.

Section agreed to.

Bill reported.

Mr. SPEAKER: When shall the bill be read the third time?

Sir GEORGE PERLEY: With the consent of the minister I would suggest that the bill remain in committee until we get some further explanation as to why we should have certain sections in this act instead of in the general act.

Mr. SPEAKER: If any remedy is necessary, the hon. member may have it on the third reading of the bill, unless he wishes to move now that the bill be referred back to the committee.

Sir GEORGE PERLEY: With the consent of the minister I move that the House go into committee again on the bill.

Motion agreed to and the House went into committee thereon, Mr. Johnston in the chair.

Progress reported.

INDIAN ACT AMENDMENT

Hon. CHARLES STEWART (Edmonton, Minister of the Interior) moved the second reading of Bill No. 56 to amend the Indian Act.

Motion agreed to, bill read the second time, and the House went into committee thereon, Mr. Johnston in the chair.

On section 1—If capital does not exceed two thousand dollars.

Mr. STEWART (Edmonton): This is to give us power to dispose of certain small sums of money belonging to the Indians. It applies chiefly to the Indians of British Columbia where there are approximately about 100 bands whose capital ranges from $9.17 to $2,000. The annual interest on such funds is negligible. Many of the bands consist of just a few members and in some instances there is no occasion for the disposal of money. The purpose of the proposed amendment is to enable the Governor in Council to dispose of small amounts among the Indians in any way that may be deemed beneficial to them. When the amount involved is under $2,000 the distribution of interest entails a great deal of bookkeeping inasmuch as the individual member of the band receives so very small an amount. We are asking for authority to distribute these moneys amongst the bands interested and so clean up the situation.

Mr. GARDINER: That is, to distribute the capital itself?

Mr. STEWART (Edmonton): Yes.

Mr. STEVENS: Are these small accounts stationary?

Mr. STEWART (Edmonton): They are capital accounts.

Mr. STEVENS: But not accounts that may be added to by some unexpected lease or sale of timber or land or some other resource on the reserve?

Mr. STEWART (Edmonton): No. In that case there might be a possibility of the capital exceeding $2,000, but this is to fix an arbitrary amount from which point to work down to zero. It does not contemplate cases in which the capital amount may be augmented by subsequent sales.

Mr. STEVENS: That is the point.

Mr. STEWART (Edmonton): The object is to get rid of little capital accounts.

Mr. STEVENS: If these are dead accounts it is all right.

Section agreed to.

On section 2—Regulations.

Mr. STEWART (Edmonton): This is to give us more power over the operations of poolrooms, dance halls and places of amusement generally. In some instances we have no authority in relation to such matters, particularly as regards the sale of liquor on the reserves.

Mr. SMOKE: In my constituency is at least a portion of the Six Nations Indians, who stand in a different class altogether from all other Indians in Canada. I am not competent to give the complete history of the Six Nations Indians, but the committee will remember that during the Revolutionary war in the United States these Indians were allies of the British nation, and remained loyal. After the war they, like a number of others, were excluded from the American nation and forced to leave that country, as were the United Empire Loyalists. These Indians came to Canada under a treaty with King George which allowed them certain rights in this country. In intelligence the Six Nations Indians compare very favourably indeed with the average white man; the average Indian in the townships of Tuscarora and Oneida is quite equal to the average white man, and is quite capable of managing his own affairs. Therefore I think there should be an exception made in the case of those Indians known generally as the Six Nations. I do not know whether they should be under the Indian act at all; they were brought here by the British government and given certain lands under the Haldimand treaty, with which I am not familiar. I do know, however, that these lands were largely reduced by subsequent treaties.

I do not know how these later treaties were made; I have a question on the order paper in that connection which will give that information. Originally the Six Nations were entitled to a strip of land six miles wide from the mouth to the source of the Grand river, and that has been reduced until now they are in two townships, one in the county of Brant and the other in the county of Haldimand. The government still assumes to deal with these lands; they are held under life leases or in some other way with which I am not familiar, but as I have already said these Indians are thoroughly capable and well-behaved citizens of Canada, and I do not think the Indian department should longer assume the position of superiority implied by the Indian act. I would ask the minister if he will not take into consideration the question of excepting the Six Nations Indians from the provisions of the bill now before the House.

Mr. STEWART (Edmonton): I inherited the responsibility of dealing with the Six Nations Indians as well as all other Indians in Canada. Of course where an Indian becomes enfranchised and takes upon himself the responsibility of full citizenship, he is no longer upon the reserve. I do not desire to discuss the treaty respecting these Indians; I understand my hon. friend is asking a question which will bring the matter up. I am not prepared to discuss that matter to-day nor am I ready to give a direct answer as to whether I would advise the release of the Six Nations Indians from the control of the Indian act. For one thing, I might say that there is a very serious difference of opinion between the bands themselves on that reserve, not through any interference by the Indian department but because of a difference in their own ideas. Just whether or not these Indians are at a stage of development where they can take full responsibility for their own affairs I am not prepared to say. White people quarrel amongst themselves and I see no reason why the Indians should not be given that privilege if they desire it. I may say, however, that this act applies to all the Indians in Canada; under section 92 the superintendent general may do a great many things, subject always to the councils selected by the Indians themselves, whose business it is to work under this act for the good government of their reserves. They themselves are desirous of having more stringent regulations governing the licensing of pool halls, dance halls and other places of amusement on the reserves. In the bill there are a great many clauses enumerated having to do with sanitary regulations, regulations for taxation, the control and destruction of dogs destroying sheep and all that sort or thing. The council administers these by-laws in running the reserve, and this amendment simply asks for more control over the pool halls and other places of amusement.

[Mr. Smoke.]

Mr. SENN: The pool rooms and dance halls and places of that character are taxed by the provincial government; the pool rooms pay a flat rate and the dance halls pay amusement tax. Will that still be operative in this case?

Mr. STEWART (Edmonton): No. The Indian reserves are quite immune from any of the provisions of the provincial law. The control of the Indian reserves is under the jurisdiction of the federal government.

Section agreed to.

On section 3—Life chiefs.

Mr. STEWART (Edmonton): This is merely a change substituting the jurisdiction of the superintendent general for the Governor in Council. There is a restriction for three years, but if there is any protest I have no objection to dropping this.

Mr. STEVENS: There are two clauses which substitute the superintendent general for the Governor in Council, and one thought occurs to me in that connection. After all, in dealing with the members of our Indian tribes, and remembering their position as related to our own and as related to the government, I think it desirable to keep them as closely identified with the government as we possibly can. In other words, I think we might accord them this distinction, that their removal must be by the Governor in Council. It is a small thing, and really I would suggest to the minister that these two clauses be dropped. I do not think there is much need for them and it is one of those little courtesies which I think will probably smooth the paths of the department and of the minister.

Mr. STEWART (Edmonton): I am not particularly keen about this; as a matter of fact I rather welcome the responsibility of the order in council, although of course the superintendent general must take the responsibility of recommending it.

Mr. STEVENS: It is very little trouble, just a pro forma order.

Mr. STEWART (Edmonton): I have no objection to dropping these two sections, and carrying on as we have done in the past.

Sections 3 and 4 dropped.

On section 5—confirmation by the superintendent.

Mr. STEVENS: As to clause 5 I should think the same thing would apply unless there is some reason for using the word "also".

Mr. STEWART (Edmonton): This clause is not so important, perhaps, as the other. The other dealt with the removal of the chief and councillors and head men. This is a matter which merely deals with regulations. To provide that there should be an order in council will give an air of greater authority.

Mr. STEVENS: I think so.

Mr. STEWART (Edmonton): I have no particular objection. The sole object was to simplify the administration, that is all we had in mind. But if there is a feeling that the matter should proceed by order in council I do not object.

Mr. STEVENS: That is more formal.

Mr. STEWART (Edmonton): I move that section 5 be dropped.

Motion agreed to.

Section 6 agreed to.

On section 7—Acquisition of totem poles, etc., forbidden.

Mr. STEWART (Edmonton): This clause applies particularly to British Columbia, and it is something that we are desirous of having, because these works of art, if one may call them such, are very rapidly disappearing on the coast.

Mr. STEVENS: There is only one thing I should like to ask the minister. I am fully in accord with the idea expressed in this clause, but some of the Indians are making a business of carving small replicas of these totem poles and selling them, which I think is a very useful thing. Would this clause prevent them from doing that?

Mr. STEWART (Edmonton): That is not our intention. We are seeking to preserve these totem poles because of their historic value.

Mr. STEVENS: It says here:

No title to any. . . carved grave pole, totem pole, carved house-boat, or large rock—

And so on. The clause as it now reads would include any carved thing of that character, would it not? I know some of the Indians, for example those around Alert bay, carve these replicas and sell them to the tourists that go by on the Alaska tourist steamship route. We have a small one in our own home that was given to us by an Indian.

Mr. STEWART (Edmonton): There would be no objection to the Indians doing that, although, perhaps, the clause might be interpreted to mean that they would not have such a right. I do not know how we are going to take power to prevent the sale of these historic tribal relics without having this clause in the bill.

Mr. STEVENS: The language seems to be so sweeping in its character that I think it would have the effect of stopping this business to which I referred, although it is one which should be encouraged, I think.

Mr. STEWART (Edmonton): I quite admit the force of my hon. friend's contention, but I do not know how we are going to have the necessary authority, unless we have some such clause.

Mr. COOTE: Perhaps between now and eight o'clock the minister may hit upon something which would overcome the difficulty.

Progress reported.

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

After Recess

The House resumed at eight o'clock.

PRIVATE BILLS

SECOND READINGS

Bill No. 42, respecting certain patents owned by Albert P. Frigon.—Mr. Mercier (St. Henri).

Bill No. 44, respecting the Ottawa Gas Company.—Mr. Mercier (St. Henri) (for Mr. Chevrier).

OTTAWA ELECTRIC COMPANY

Mr. PAUL MERCIER (St. Henri) (for Mr. Chevrier) moved the second reading of Bill No. 43, respecting the Ottawa Electric Company.

Motion agreed to.

Mr. MERCIER (St. Henri) moved that the bill be referred to the committee on miscellaneous private bills.

Mr. GUTHRIE: Mr. Speaker, just on a point of order, is it proper, in the absence of the promoter of a bill, to move that it be referred to the committee? It may be possible that the promoter does not desire to proceed. I have no objection to this bill or to this procedure, but I think last session or the session before we laid down the rule that in the absence of the promoter the bill should stand.

Mr. SPEAKER: The reason I put the motion is that the hon. member for Ottawa (Mr. Chevrier) was away on two different occasions when the bill was called before, and I thought he would like the bill to go before the committee.

Mr. GUTHRIE: I have no objection to that.

Mr. SPEAKER: Strictly speaking, the hon. member is right. The sponsor of the bill should be present. However, by unanimous consent the motion may be agreed to.

Motion agreed to.

INDIAN ACT AMENDMENT

The House resumed consideration in committee of Bill No. 56 to amend the Indian Act—Mr. Stewart (Edmonton).

On section 7—Acquisition of totem poles, etc., forbidden.

Mr. STEWART (Edmonton): Our difficulty in connection with these totem poles, which are from fifteen to forty-five feet high, is that rich Americans have been coming up into British Columbia and purchasing them, and if this goes on the whole coast will soon be denuded of these totem poles if we do not take some action to preserve them. They are of great historic value. The hon. member for Vancouver Centre raised the question of Indians being allowed to practise the art of making miniature totem poles for sale. There is no objection in the world to that on the part of the department. The totem poles that we have in mind and wish to preserve are in the nature of stationary monuments, carvings on rocks, and the posts that appear along the coast. The art of making smaller totem poles would not be interefered with by this provision at all. This is merely to preserve the historic mementoes of the Indian tribes along the coast, and it applies only to British Columbia.

Mr. GUTHRIE: Have quite a number of these totem poles been sold?

Mr. STEWART (Edmonton): Yes, Americans have been purchasing them and taking them to the United States and placing them on their properties there. We want to preserve at least enough for those who come after us, or otherwise they will be found only in museums.

Mr. GUTHRIE: I notice that the clause is not drafted to apply to sales, but only to removal. There is no prohibition against the sale.

[Mr. Guthrie.]

Mr. STEWART (Edmonton): The sale would not be valid; removal cannot take place.

Mr. GUTHRIE: There is nothing to make the sale valid. There is a provision to make the removal invalid. If a bona fide sale takes place, is the purchaser not entitled by law to remove what he has purchased?

Mr. STEWART (Edmonton): It says:

No title. . . . shall be acquired by any means whatsoever by any person without the written consent of the Superintendent General of Indian Affairs.

Mr. GUTHRIE: The word "acquired" would cover it.

Mr. NEILL: I would like to point out to the minister in charge of this bill while it is perhaps desirable to retain these historic poles, I do not see why we should interfere with the Indians engaging in the occupation of making new totem poles, which is getting to be quite an industry now, just as the manufacture of old furniture is becoming quite an industry. They are copies, and they do not profess to be anything else but what they are. Why should these people who have had this facility handed down to them through long years of tradition and practice be prevented from selling the work of their hands from day to day? A distinction should be drawn between the old historic totem poles and the copies. I fear this restriction will apply to all copies made in the future.

Mr. STEWART (Edmonton): It is not the intention of the department that this should apply to those which are simply copies, but rather to the historic poles and monuments. They are taking the monuments as well as the poles, and anything that is a copy could be sold quite freely.

Mr. NEILL: Not under this legislation.

Mr. STEWART (Edmonton): There is just this one restriction. May I point out that unless we have this power, all will be sold. If you make distinctions, you will have difficulty in distinguishing between what is really a copy of the historic pole and what is the real article. I wish to assure the committee that there will be no objection in the world to the Indians carrying on the art of copying these monuments and historic poles.

Mr. NEILL: The bill does not say so, and I suppose it is the bill that will govern the Indian agent and the Indian department.

Mr. STEWART (Edmonton): If my hon. friend inserts a provision that the Indians may freely dispose of the copies without reference to the department, then in all probability the historic poles will go as well.

Mr. NEILL: I would suggest that the clause be worded so that no poles made previously to this shall be disposed of and any poles made subsequently to this may be disposed of by obtaining the consent of the Indian agent who is always immediately available, and who can put a stamp on it and permit it to be exposed for sale. As the bill stands now, while I quite understand there is no intention of doing what I am speaking about, the bill does not say so.

Mr. STEWART (Edmonton): If the Indian is permitted to dispose of copies without this restriction, without reference to any one, we shall have a great deal of difficulty in preserving the historic poles that are of value Even if you inserted in the bill a provision allowing the Indians to sell, the sale would have to be under the control of the department, because otherwise as these historic poles are almost invaluable to some people who have money to spend on articles of historic value, they will pay fabulous prices for them. Therefore it is simply an endeavour to preserve these poles of historic value, and if the Indian manufactures a new one and desires to sell it, such a sale can be very easily arranged for by the department.

Mr. NEILL: The department will make regulations to that effect?

Mr. STEWART (Edmonton): Yes.

Mr. NEILL: Then I would suggest that the matter be made subject to the permission of the written consent of the Superintendent General of Indian Affairs, or anyone deputed by him. Otherwise every time an United States tourist wants to go ashore from a steamer and pay six bits for a little thing about six inches long, he has to get the written consent of the man down here at Ottawa There is no sense to that.

Mr. STEWART (Edmonton): This would not apply to the small copies. That is the very point raised by the hon. member for Vancouver Centre (Mr. Stevens), but it is pointed out that they make exact copies of the poles that are from twenty to thirty feet high. I do not know whether they do or not.

Mr. NEILL: Certainly they do.

Mr. STEWART (Edmonton): What my hon. friend was objecting to was in connection with these smaller copies of the originals that are sold every day by these Indians who are practising their art. There is no interference with that at all.

Mr. NEILL: The bill says that they have to send to the Superintendent General of Indian Affairs, and he is three thousand miles away. It will take a month or six weeks to get his consent.

Mr. SMITH (Stormont): I presume the superintendent general would have power to delegate his consent in regard to small copies without reference to him on each particular occasion.

Mr. STEWART (Edmonton): The consent in that case will be obtained from the superintendent who is located at Victoria.

Mr. ADSHEAD: The consent applies not to the copies but to the originals. Is it the intention of the department to allow these originals to be taken away?

Mr. STEWART (Edmonton): The bill does not say anything about originals or copies. It says simply that these monuments, poles, gravehouses, carved posts, shall not be disposed of without the consent of the department. That is the wording of the bill.

Mr. NEILL: That is hardly a fair statement. It says that they must not be disposed of without the written consent of the Superintendent General of Indian Affairs. If it was the department I would not have much objection, because that consent would be obtained from the agent who is available in time, perhaps in three weeks. The bill does not say that; it says "without the written consent of the Superintendent General of Indian Affairs", and there is only one man in that position. It does not say any one deputed by him. So when the United States tourist comes along from the steamer—and he is an important source of revenue to members of these bands —and says: "I will give you $75 for that totem pole", the man says "All right. Sit down and write a letter to Ottawa and you will get an answer back in the course of six weeks, when we shall be able to make a deal". I am not going to press the matter further, but I know there will be a great deal of discontent. I know the object is desirable, but it could be attained in such a way as not to

hurt these Indians, many of whom make a living by carrying out this very art which we say is desirable and which soon they will be discouraged from carrying out if they find they cannot get a ready sale.

Mr. BENNETT: The hon. gentleman says that the object is to prevent these old historic marks from being disposed of. In that case it is a very proper thing that the written consent of the superintendent general should be had, because that would prevent their being disposed of.

Mr. NEILL: My point is the delay occasioned in writing to Ottawa to get the written consent. The United States tourist is not going to wait while you write to Ottawa, three thousand miles away, for the written consent.

Mr. BENNETT: The object is to prevent their being sold at all.

Mr. NEILL: I am talking about the copies.

Mr. BENNETT: I would not say that this applies to the copies.

Mr. STEWART (Edmonton): I do not think so. Of course lawyers can make these things apply to anything, but that is not really the intention. The intention is to preserve these historic monuments.

Mr. STEVENS: I will not delay the minister beyond one suggestion. I would suggest that in line 20, instead of saying:

Without the written consent of the Superintendent General of Indian Affairs.

Put:

Without the authority of the Superintendent General of Indian Affairs.

Then the minister by regulation can authorize the local agents to supervise the matter.

Mr. BLACK (Yukon): It would be well to define what is meant by the term "totem pole". Is that the original pole owned by the tribe or one of the very many representations of it that are made annually? On my annual trips up and down the coast I see so-called totem poles manufactured and sold by the cord, not only to United States tourists, but to all classes of tourists. Has any one of these Indian carpenters who carves out a totem pole, before he makes a sale, to get leave from the Indian department? Surely that is not the intention. These are merely copies. It seems to me it is hardly necessary that any legislation should be passed to prevent these people from selling these carved objects any more than that they should get leave from the Indian department to sell a wicker basket.

[Mr. Neill.]

Mr. STEWART (Edmonton): I have just been trying to point out to the committee that if you give the Indians the privilege of selling exact copies of the totem poles you will have very great difficulty in preventing sales of the originals and they will disappear entirely. This provision may appear to work a hardship on the Indians, but strong representations have been made to us that these monuments are of great historic value not only from the standpoint of the people of British Columbia but from the standpoint of the Indians themselves. We cannot enforce an authority such as that suggested by my hon. friend, and I think on further consideration he will realize this. There is a tremendous territory to guard and there are still some very valuable historic poles to be found there.

Mr. KAISER: Why not specially provide for totem poles of historic value?

Mr. STEWART (Edmonton): If you give permission for the sale of copies you cannot very well guard the historic poles, for they will be more valuable and more eagerly sought after than the copies, with the result that somebody will arrange to get the originals out of the country. True, this section provides that we may seize any article removed, but we cannot very well recover a totem pole taken into the United States, for instance. If there is any desire on the part of the people of British Columbia who made these representations to preserve these historic monuments, then we must have control over the copy as well as over the original itself.

Section agreed to.

Section 8 agreed to.

On section 9—Receiving money for the prosecution of a claim.

Mr. McPHERSON: Mr. Chairman, there might perhaps be occasions when the minister would not want this section to be enforced. I can personally recall two or three instances when a considerable sum of money was obtained for the Indians of Manitoba from the American government. We have a situation there that is perhaps unique, in that a large band of Sioux Indians came over from the States immediately after the Custer massacre and settled near Portage la Prairie. I know that during the past two years they have received from $3,000 to $10,000 from the American government. I do not know what legal charges were made for obtaining payment of that money, but I do know the money was secured through the assistance of solicitors. Under this clause those solicitors would be prosecuted. I do not think that is

quite right, nor do I think it necessary that a solicitor in such a case should have to apply to the superintendent general for permission to act. I may add that there is more money coming to those Indians, because they have in the United States a rather valuable territory. I would suggest that the section should receive further consideration.

Mr. STEWART (Edmonton): Mr. Chairman, that is exactly why we want this clause —in order that we may exercise some supervision over persons who make private bargains with Indian bands for the purpose of collecting claims, whether legitimate or imaginary. I do not like to mention names, but a case has come to my notice since I have been Superintendent General of Indian Affairs in relation to a very large claim which we think is owing by the American government to a band of Indians located in Ontario. Notwithstanding that the department has spent considerable sums of money in securing advice as to the possibility of collecting the claim, this band made a solemn agreement with an attorney under which he was to be remunerated for his services at the rate of nearly fifty per cent of whatever moneys might be collected by him. I could cite a dozen other instances in which representations were made to Indians with respect to certain claims, for the collection of which the Indians agreed to pay substantial remuneration. My hon. friend from Vancouver Centre (Mr. Stevens) would not have to go very far to cite one case—

Mr. STEVENS: Hear, hear.

Mr. STEWART (Edmonton):— in which for years the British Columbia Indians have been paying certain persons for their services in connection with claims which it had been represented could be enforced. I think those Indians have claims—at all events for consideration. But from one end of Canada to the other it is becoming a common practice to represent to the Indians that they have certain rights, and those making the representations usually manage to get the Indians to enter into a contract providing substantial remuneration for their advisers. We think it is to the advantage of the Indians that these contracts should be scrutinized by the department in order to protect them from exploitation.

Section agreed to.

Section 10 agreed to.

Bill reported.

ROYAL AGRICULTURAL WINTER FAIR ASSOCIATION OF CANADA

Hon. W. R. MOTHERWELL (Minister of Agriculture) moved that the House go into committee to consider the following proposed resolution:

Resolved. 1. That it is expedient to bring in a measure to provide for the granting of financial assistance to the Royal Agricultural Winter Fair Association of Canada, for the purpose of erecting and equipping a building or buildings in the Exhibition park at Toronto, to be used to display for public inspection the live stock, agricultural and dairy products of Canada.

2. That for the said purpose the sum of $35,000 each year for a period of twenty years, commencing with the fiscal year ending March 31, 1928, shall be paid out of the vote appropriated for "live stock, including exhibitions";

3. That such grants shall be payable on condition that the government of the province of Ontario make to this association a grant equal in amount and for the same periods as the grants from the Dominion government, and upon such other conditions as to allocation of space, premiums, and plans and specifications, as may be prescribed.

Motion agreed to and the House went into committee, Mr. Johnston in the chair.

Mr. MOTHERWELL: The primary purpose of this resolution, upon which a bill will be based, is to extend further assistance and encouragement to the live stock industry of Canada by making the definite grant stipulated in the resolution to the Royal Agricultural Winter Fair Association whose headquarters are located at the exhibition park in Toronto. We are dealing with the Royal association as well as with the live stock associations throughout Canada, and perhaps I may say a word in reference to the extensive building used at present and which has been in use for the past five years. About six or seven years ago—I think in 1921—the Royal Agricultural Winter Fair Association entered into an arrangement with the city of Toronto for the construction of a building costing $1,500,000 for the housing of the exhibits of that show. The show was increasing in proportions and the city of Toronto undertook to construct the present building, which was opened in 1922. The exhibits very soon became so numerous and the fair was so popular, being patronized from one end of the country to the other, that the building in 1923 proved quite inadequate to take care of all that was offered for display. In that year the building, although it covers five acres of ground space, was able to accommodate only about one third of the cattle exhibited, and all the poultry, leaving two-thirds of the cattle exhibits, all the horses, sheep and swine to be taken care of in temporary buildings

which were quite unfit for the housing of this high grade live stock, most of which is pure bred.

The question then came up as to who would supply the additional housing accommodation which was found to be necessary. The exhibition had become not only of national but of international importance, attracting a large number of exhibits from the United States, just as the Chicago International Exhibition attracts exhibits from Canada. The association discussed the matter with the city of Toronto and the city took the ground that they had done as well as they could be expected to do, as in fact they have. They had risked their money and their judgment in putting up a building at a cost of a million and a half, believing that circumstances would justify that expenditure, and that the exhibition would soon grow to the capacity of the building. Their belief was fully justified, for inside of two years the accommodation originally provided was found to be inadequate. The question is, should the further accommodation be provided by the province of Ontario, whose live stock men, to a greater extent possibly than those in other parts of Canada, enjoy the use of the building; or should the Dominion as a whole share in the expense? It must not be forgotten that live stock men throughout the country, from the maritimes to the Pacific, share in the accommodation afforded by the building. Should this parliament, therefore, assist in providing the necessary extension in conjunction with Ontario? The live stock men and the Royal Agricultural Winter Fair Association have agreed that it should, and have accordingly requested the government to take steps towards this end. Some two years ago we were asked to provide the necessary housing accommodation for this rapidly extending exhibition.

The resolution provides for an annual grant to the association of $35,000 for a period of twenty years. The legislature of Ontario has passed an act for a similar purpose, with the proviso that the Dominion should contribute its quota. We have agreed to do so on the same understanding. So that we have the three parties co-operating, the city of Toronto, which put up the original building at a cost, as I have said, of $1,500,000, and the province of Ontario and the Dominion government providing funds for the necessary extension on a fifty-fifty basis to the extent of $1,400,000. The building, when completed, will cover seven acres, and it is expected to cope fully with the demands. I may anticipate the question—why Toronto?

[Mr. Motherwell.]

Mr. SPENCE (Parkdale): No one has asked it.

Mr. MOTHERWELL: Well, one might say that Toronto has a record of a half century behind it of putting on one of the best exhibitions in Canada and that it was to that city's own interest to put up the original building. But the question is, should Toronto be expected to accommodate this broad Dominion's live stock, or should the federal treasury assist with a small annual grant extending, as suggested, over twenty years, to help the province? If we contribute, I can assure the committee that at the end of a very short time the entire accommodation will be taken up by the exhibition, and then we shall have the most outstanding international live stock show on this continent.

Mr. WOODSWORTH: If this resolution passes, is the minister prepared to guarantee that, should other cities apply for similar assistance—say, Winnipeg, or as someone behind me suggests, Calgary—that assistance will be given? This grant of $700,000 will, with interest, run well up into a million.

Mr. MOTHERWELL: This includes the interest.

Mr. WOODSWORTH: I did not know that. At any rate the money is intended to extend what after all, is a local exhibition. It is called "Royal" but I do not know what that means. We were told a year or two ago that it was against the law to attach this name to any private institution. Further than that, we are told that it was called the Winter Fair Association of Canada. I do not know why one particular city or province should undertake to call its local exhibition a Canadian exhibition. There are a great many other places which might do that equally well. It would seem to me that essentially this is a local exhibition; undoubtedly it has been successful in the past and I do not see why it should not continue its successful career. But if the government continues to make grants to one particular locality, we should have an assurance from the government that grants on a proportionate scale will be made to other parts of Canada.

Mr. MOTHERWELL: There is something in what my friend has said, but we will have to deal with each case as it comes before us. I do not think we could undertake to have three or four outstanding national or international fairs or exhibitions in Canada at

this time, because we must have a reasonable amount of provincial co-operation before we can even have one good show, because of the scattered nature of our provinces. In the United States they concentrate on one outstanding international exhibition at Chicago; it is the centre of attraction of the whole continent, and I think most of us have the idea that we should also centre on one, but of course not altogether to the exclusion of all others. This government is giving more money to our exhibitions in Canada to-day than any other government in our history. In regard to Winnipeg, I may say that we have an allocation of what we call our "A" fairs; two of these have been allocated to each of the four western provinces but Manitoba only avails itself of one, because Winnipeg has not revived the exhibition which was formerly such a pronounced success. We are keeping a little niche in our program, however, looking to the day when the city of Winnipeg will once more conduct this fair and, by making use of the old grounds and renovating the old buildings, resume her place in the agricultural life of Manitoba. If Winnipeg does that the usual grant given "A" fairs will be made, but outside of that I cannot say anything further, except that I think at this juncture we should confine ourselves to the idea of one outstanding national exhibition, and then deal with other applications on their merits.

Mr. EDWARDS (Frontenac): Is it not a fact that the Toronto exhibition is the only exhibition carried on in the Dominion of Canada which has the right to be called international at present?

Mr. MOTHERWELL: I think so.

Mr. EDWARDS (Frontenac): If you are going to make this apply to side shows in Winnipeg and other places like that where they gather a few people together for a visit once a year or once every two or three years, the next thing will be applications from every township for the little one-day shows. The only reason back of this grant is the fact that this exhibition is international.

Mr. MOTHERWELL: That is its only justification.

Mr. EDWARDS (Frontenac): It is international, and when the city of Winnipeg or any other city in Canada can establish a fair of anything near the proportions of the Toronto exhibition I dare say this parliament will be ready to take that into consideration, and it would be in the general interests of Canada to do so. But there is no comparison at all between a grant for a little show in Winnipeg and a grant for the international exhibition in Toronto.

Mr. BENNETT: The hon. gentleman who has just taken his seat has confused two things; the exhibition at Toronto is not being discussed. We were discussing the Royal Agricultural Winter Fair, an exhibition for the display of the live stock, agricultural and dairy products of Canada. If the point under discussion were the relative merits of the Toronto exhibition and any western exhibition I think possibly my friend's observations, in a little different language, might be well taken, but while we in the west have not the population of the east, we do not conduct exhibitions as side shows. That must be clearly understood, because the winter exhibitions of live stock in western Canada are international in their character, as the minister very well knows; he also knows the efforts now being made to centralize these exhibitions in the city of Winnipeg this winter. I believe those efforts will be successful, because a large convention is being held in Winnipeg within the next few weeks, if I remember correctly. I know that on one occasion this parliament was good enough to vote a very large sum to Calgary to assist the exhibition there. So I would very much regret anyone giving voice to the thought in this chamber that the cattle of eastern Canada and the dairy and agricultural products of eastern Canada are in any sense better than those of the west. The population of western Canada is very much less than that of the east, but having regard to the population it is only fair to say that western cattle have taken first prizes in every part of the world where they have been exhibited; the same may be said with respect to sheep and horses, to a lesser extent, while our dairy products really form the basis of the largest export trade in dairy products which we have at present. So I would like the House to realize that it is not voting money for the great Toronto exhibition, which is international in its character, but for a cattle exhibition in the city of Toronto, a winter show for cattle and dairy products. To that extent I hope the day is not far distant when under similar conditions we may be able to make some similar appeal for one of the cities in western Canada.

Mr. EDWARDS (Frontenac): It is quite true that this amount is for the winter exhibition, but there is a relation between the winter exhibition and the international exhibition which must be remembered. I venture to say that this application would never be considered for a moment if it were not for that relationship.

Mr. MOTHERWELL: Hear, hear.

Mr. EDWARDS (Frontenac): My hon. friend was very hard up for an argument when he took the ground that I intimated that the cattle of western Canada were not equal to those of the east; I did not suggest that for one moment. This is not an exhibition for Ontario cattle; cattle from western Canada will be on exhibition there as well as cattle from other parts of Canada and from the United States. I repeat that there is a connection between this winter show and the international exhibition, and if it were not for the fame that exhibition has acquired all over the world this grant would not have been asked for and would not have been made.

Mr. SPENCE (Parkdale): I hope the committee will not lose too much time in discussing this item which the good minister has recommended. Every one knows that this is not a local fair or a local association of any kind. The live stock associations of Canada are all interested in this coliseum which it is proposed to build; as the minister said, the city of Toronto spent a million and a quarter to build the coliseum already there, which to-day will not house more than one-third or one-half of the exhibits entered. These exhibits come from the west, from every province of Canada and from almost every state in the union. This is an international fair pure and simple, and I hope the vote will go through without any further discussion which only leads to more controversy.

Mr. COOTE: I am very sorry to disappoint any hon. member for Toronto by not letting this amount go through without further discussion, but I am afraid it cannot be helped. I would suggest to the minister that the time to cut out these dips into the treasury, which he described so realistically, is right now before we make this grant to the royal winter fair at Toronto. He is starting out on a policy that will, I am sure, lead his government and successive governments into trouble. Since the minister assumed charge of the department he has been cutting down grants to fairs, starting with the little fairs. There is too much concentration in Toronto. There are enough things centralized in that city now without handing that city a grant of $700,000 to put up another building. They have got lots of money in Toronto to put up such a building; most of the money in Canada is corralled in that city. It would not hurt the citizens of Toronto very much to pay $700,000 themselves to put up this building if they needed it. The thing is wrong in principle. If you want a place for a central exhibition in Canada, that place surely is Winnipeg, because it is nearer the centre of Canada than Toronto. In the years to come it is certainly going to be the centre of Canada as far as agricultural production is concerned, and dairy products at that. I do not think the minister has really given us any very good reason for embarking on a policy of subsidizing this exhibition association in order to enable them to put up a building. The minister has been hard enough on the small fairs by cutting down their grants, but he still continues to make grants to the bigger associations. I think that while he is doing that, this association should take care of its own buildings. I do not think this government, or this House should embark on a policy of putting up buildings for exhibition associations.

Mr. SPENCE (Parkdale): The hon. gentleman who preceded me cannot be serious. If he is, he is speaking without regard to the facts. The hon. gentleman must know that we are not making a grant to the city of Toronto. The exhibition of the royal winter fair is held in Toronto, but it is not in the interest of the city of Toronto but of the whole Dominion. Toronto is capable of looking after its own fairs and does not need to ask for anything here. What is more if it did I do not believe the Minister of Agriculture would grant it.

Mr. MOTHERWELL: The last speaker is quite right. This proposition is to provide for the housing of the pure bred live stock of Canada and not to house the pure bred Tories of Toronto. The city of Toronto has demonstrated for many years its capacity for putting on and pulling off excellent exhibitions. It is a large, populous centre, with good hotels and good railway connections, and it is the centre to which the live stock of all Canada are gravitating. Every provincial government helps to pay the freight bill of the respective provincial exhibits to this great national exhibition, so that it has the sympathetic support of all the provinces of Canada. I hope my hon. friend from Macleod will endeavour to take a broad, national aspect of this undertaking, and forget that there is such a place as Toronto. Let him remember the needs of the live stock industry. This building must be located somewhere, but if anybody can find a better place than Toronto I will consider the proposition. In the absence of any better location it seems to me that Toronto is the logical place.

Now as to the necessity of this accommodation, the matter has been fought out for the last three years. The exhibits are so crowded that exhibitors are considering the idea of

discontinuing sending them because there is not proper accommodation. In the weather such as we have in November, the ground is simply nothing but a quagmire. There is such a demand for accommodation that temporary buildings, even tents, have to be provided, and for the exhibition of horses recourse has been had to box cars. While the judges are at work the horses are taken out of the cars, and then returned again to the restricted accommodation which those cars offer. That cannot continue. The exhibition must go forward and develop in accordance with its possibilities as a great national show. It cannot be expected that in a case of this kind the whole burden should be supported by Toronto; some of it must devolve upon the rest of the Dominion.

Mr. COOTE: I should like the minister and the people of Toronto as well to understand clearly that I am not objecting to this grant because it is going to Toronto. I am objecting to it simply because I think it is wrong in principle and because I think we should not embark upon such a policy. The minister seems to argue that the building should be provided because the exhibits have been increased. In that case if Calgary wanted a new building all its people would have to do would be to come down to the minister and say, "We have got to house some live stock in box cars and we should like to have $700,000 in order to make an addition to our building." I would not object if the government or the minister think they have plenty of money for all these purposes; but when I have to pay about $2 in the shape of a tax on my sleeping car berth to the Dominion government when I want to come down to Ottawa, I think the government must be pretty hard up for money to run the country. Erecting exhibition buildings is a poor policy for us to embark on. Let me repeat to the hon. member (Mr. Spence), who resented my remarks, that I do not object to Toronto getting this grant simply because it is Toronto. I object to the principle contained in the policy we are embarking upon here of putting up buildings in which to hold winter fairs, or summer fairs either for that matter.

Mr. ROSS (Moose Jaw): As one of the western members of this House I should like to take the opportunity of agreeing for once with my hon. friends from Toronto. The winter show in Toronto is a national show, and people come from all over the Dominion to compete. We are not giving Toronto, or the Toronto exhibition, anything in this grant; we are simply adding to the accommodation for the annual exhibition of the winter fair so that a national show can be accommodated properly.

Mr. SPENCE (Parkdale): That is right.

Mr. ROSS (Moose Jaw): To try to build up a national show in any other part of Canada to-day would take three or four times the amount of money asked for in this vote, and unless we are going to allow the great live stock show of Canada to retrogress, we have got to spend a little money immediately. Therefore I agree entirely that we should make this appropriation for the winter show which happens to be held in the city of Toronto—not for Toronto, but for the live stock and dairy industry of Canada as a whole.

Mr. KAISER: I wish to say a word in support of this resolution, for one or two reasons. In the first place this winter show must not be regarded as a Toronto conception at all. I have perhaps occasion to be somewhat intimately connected with it for the reason that most of the men who are associated with it come from the constituency that I represent in this House. Have the members who suggested Winnipeg or Calgary as the scene of an exhibition men in their midst who would give as much time and energy to the building up of a show as Mr. John Bright, for example, who was the live stock commissioner for Canada for a great number of years, and to whom, I think, we may attribute the building of this coliseum and the establishment of this fair in Toronto? Mr. Robert Miller, who was president of the fair two years ago, and the present president of the fair, Mr. Dryden, are both from my constituency, and by virtue of that fact naturally they would expect me to say something in regard to this resolution. I consider that it is a move in the right direction, and I would say to the gentlemen from Winnipeg that if they would give as much time to the development of a show in Winnipeg as Mr. Miller, Mr. Dryden and Mr. John Bright have given to the development of this fair in Toronto, they would be justified in having a grant. I know that our people will be quite thankful for the efforts that are being put forward, because the accommodation is absolutely needed. I am very glad to support the resolution.

Resolution reported, read the second time and concurred in. Mr. Motherwell thereupon moved for leave to introduce Bill No. 64, for the granting of assistance to the Royal Agricultural Winter Fair Association of Canada, at Toronto, Ontario.

Motion agreed to and bill read the first time.

OLD AGE PENSIONS

Hon. PETER HEENAN (Minister of Labour) moved that the House go into committee to consider the following proposed resolution:

Resolved, that it is expedient to bring in a measure respecting old age pensions, and to provide,—

1. That the Governor in Council may make an agreement with the Lieutenant-Governor in Council of any province for the payment to such province quarterly of an amount equal to one-half of the net sum paid out during the preceding quarter by such province for pensions pursuant to a provincial statute authorizing and providing for the payment of such pensions to the persons and under the conditions hereinafter specified and regulations made under the proposed legislation.

2. That every agreement so made shall continue in force so long as the provincial statute remains in operation or until after the expiration of ten years from the date upon which notice of an intention to determine the agreement is given by the Governor General to the Lieutenant-Governor of the province with which the same was made.

3. That before any agreement so made comes into operation, the Governor in Council shall approve the scheme for the administration of pensions proposed to be adopted by the province, and no change in such scheme shall be made by the province without the consent of the Governor in Council.

4. That all sums payable to any province in pursuance of any such agreement shall be payable from time to time on the certificate of the Minister of Finance out of any moneys belonging to the consolidated revenue fund of Canada not otherwise appropriated.

5. That provision shall be made for the payment of a pension to every person who, at the date of the proposed commencement of the pension:—

(a) is a British subject, or, being a widow, was such before her marriage;

(b) has attained the age of seventy years;

(c) has resided in Canada for the twenty years immediately preceding the date aforesaid;

(d) has resided in the province in which the application for pension is made for the five years immediately preceding the said date;

(e) is not an Indian as defined by the Indian Act;

(f) has not made any voluntary assignment or transfer of property for the purpose of qualifying for a pension.

6. That the receipt of a pension shall not by itself constitute a disqualification from voting at any provincial or municipal election.

7. That the maximum pension payable shall be two hundred and forty dollars yearly, which shall be subject to reduction by the amount of the income of the pensioner in excess of one hundred and twenty-five dollars a year.

8. That provisions be made as to the credit to the pension authority of the annual value of a pensioner's residence, and the recovery of pension payments out of deceased pensioner's estate, and for the distribution of pension burden among provinces by proportionate reimbursement or proportionate reduction where the pensioner resided in more than one province or transfers his permanent residence to another province, and for ceasing of payments where he transfers his residence to some place out of Canada, and the revival of his rights upon again becoming a resident of Canada.

9. That no pension shall be subject to alienation or transfer by the pensioner, or to seizure in satisfaction of any claim against him.

10. That on or before the thirtieth day of April in each year, the Minister of Finance shall make a full report to parliament of the operation of the agreements made pursuant to the proposed act, and of the moneys of Canada paid to the provinces under each of the several agreements entered into pursuant thereto.

11. That the Governor in Council shall have power from time to time, on the recommendation of the Minister of Labour, and with the approval of the Treasury board, to make regulations, not inconsistent with the provisions of the proposed act, with regard to the pensions herein provided for, and such regulations shall be published in the Canada Gazette, and be laid before parliament.

Motion agreed to, and the House went into committee, Mr. Johnston in the chair.

Mr. GUTHRIE: Mr. Chairman, I desire to offer a word or two in regard to this resolution, more particularly to set clearly before the House the attitude of the Conservative party here, and I think of the Conservative party of Canada, in regard to the subject matter of the resolution; and I do so having regard to the debate which took place in this House on this question less than a year ago, which, of course, is found fully reported in Hansard.

Those who were present in the House when the former bill was introduced last session will remember quite clearly the discussion which took place. A great many members of the Conservative party in the House at that time spoke to this measure when it was in the committee stage. I have read over the debate with some care, and I think I can state with assurance that each hon. member on this side of the House who discussed the proposal on that occasion agreed as to the principle of the bill then submitted. They did not accept it as an ideal measure by any means, but rather took the view that it was better to accept half a loaf than no bread. Member after member on this side of the House criticised many of the details of the measure; our suggestions were met in very good spirit by the government at the time, and some most useful amendments were made to the bill as originally drawn.

Several members on this side of the House said very clearly, very ably, very forcibly, that while they were prepared to support the measure then submitted they would have preferred a much wider measure, one applying

to the whole Dominion of Canada, rather than one conditional upon its acceptance by this province, that province and the other province, which was the proposal submitted by the government.

On behalf of the government it was urged in regard to the bill then presented, which was a sort of provincial arrangement, that in order to come within our constitutional rights in this House it was necessary that we should become practically subservient to the will of the provinces in this matter. Indeed, it was intimated on more than one occasion during the debate that this House had no constitutional right to pass an old age pension bill. Opinions were cited from some of the law officers of the Department of Justice, but the opinions cited did not bear out the contention of those hon. members who had urged that this House had not the inherent right to pass an old age pension bill if it so desired.

Another objection that was taken, and very forcibly taken, was that the government's proposal in regard to old age pensions was too limited. Some considered the age limit of seventy too high. Another criticism which had force was that the pension was not founded at all on the question of disability, either ordinary physical disability, or disability through blindness or the like. It was founded solely upon one consideration—old age, and old age did not count until one had reached the age of seventy years.

Mr. NEILL: Old age and destitution.

Mr. GUTHRIE: I did not notice the word destitution. I assume that one must accompany the other. I think our position was made abundantly clear, Mr. Speaker, upon that question. It was deemed to be the unanimous wish that the bill should pass unchallenged after amendment and after discussion in the committee, and the bill did pass this House unchallenged; there was no division on it. But during the course of the election last fall I think I am safe in saying that in every quarter of Canada Conservative candidates in the various ridings were charged with opposition to the old age pension bill. Upon almost every Liberal platform that charge was made. I remember being in the city of Windsor during the last election and being handed an election card charging the present member from the city of Windsor with having voted against the old age pension bill. That is only one instance; but in riding after riding, it was charged against the Conservative party and Conservative candidates that they had opposed the passage of that bill through the House of Commons.

I am speaking at this moment in order to make our position absolutely clear upon this question. The position of the Conservative party in this House in regard to old age pensions as proposed in this measure is this. We prefer a federal scheme. We prefer a scheme which will apply equally to every corner of Canada. This bill is limited to those persons who are in destitution and who have reached the age of seventy years. Apply the proposal to the Dominion of Canada equally and let the Dominion treasury bear the expense. I say to my right hon. friend and his government: If you will do that, I believe you will have something in the nature of a real pension measure for the class of persons to whom it applies. I am not seeking in my present remarks to extend the measure beyond those described in this resolution, namely, those who are destitute and at the age of seventy; but taking that as the standard adopted by this government, I say: Go further than you have gone; make it an all Canadian scheme; adopt the federal principle and apply it throughout the whole Dominion. Then you will have a pension scheme which may and which will be of some advantage to the people who seek it.

My criticism of the present measure is just the criticism which was levelled against it last session. In all probability it will be inoperative. It is founded upon a wrong principle. We have in this confederation nine self-governing provinces. This proposal is based upon the theory that these provinces are going to agree to a measure dictated by the federal parliament. The federal parliament proposes a measure and says to each of the provinces: If you adopt this measure which we propose, then we will pay one-half of the amount that you are called upon to pay in respect of pensions to aged people. That is an improper principle. It is nothing short of dictation to the provincial governments of this country.

But what is the actual situation? Last session there was only a very faint intimation that any single province would come into the scheme. Member after member on this side of the House urged that the provinces be called together in conference to say what their attitude was in regard to this proposal. But no, the government would not hear of such a suggestion. They wanted to go boldly forward and practically say to the provinces of Canada: There is the measure; we dictate its terms; come in or stay out. What will happen if some of the provinces stay out? Supposing Ontario or Quebec decides not to come in under the present proposal, what will be the result? Other

provinces may come in, and Ontario or Quebec, refusing to come in, must bear their proportionate share of the taxation under a scheme with which they will have nothing to do. Does that not sound a little like dictation to the provinces of this Dominion? Is that not an imposition upon the rights of the people of the various provinces? That was one of the grounds upon which we argued that your measure was faulty; that in all human probability it would never have any results; that there had been no preparation for the proposal. Indeed I doubt if any progress has yet been made in regard to obtaining the views of the various provincial governments. It has been intimated that British Columbia is now likely to agree to the proposal at present before the House, but has the government any official assurance from any other province that it is likely to come into this scheme? If it has not, I tell my right hon. friend and his government that they are wasting the time of the House in proposing this measure. They will fool the people of this country who are depending upon obtaining old age pensions at some time in the not too remote future. If your bill passes, it may become absolutely inoperative.

Have we or have we not the right to pass a federal measure dealing with this matter? I submit without hesitation, without any reservation, that under the constitution of this country this parliament can pass a federal measure. Unquestionably it has the right, and if the government will propose a measure applying to all Canada, where the whole amount is to be paid out of the federal treasury, there can be no doubt as to our constitutional authority to do so. We impose no burden upon any province. We exact no condition from any province. We ask no contribution from any citizen of any province. We invade in no respect what is known as property and civil rights in the various provinces. We have the right. The only question is: Is the government willing to exercise that right and pass a measure which will give relief to the people mentioned in this resolution and who, I submit, will receive no relief, or very tardy relief, if the present scheme is adopted by this parliament.

I wonder if the government has considered just what the scheme means to some of the provinces. I was startled by figures which I saw to-night. This proposal involves this, that if the provinces enter into it and pass legislation practically identical with the resolution which we are now discussing, they may ask for and receive from the federal treasury one-half the amount that they are called upon to pay for the aged poor of their various provinces. I am going to take only the single instance of Nova Scotia. An estimate has been made of those in that province who are over seventy years of age, and it is said that forty per cent of those people will be able to qualify under this clause as destitute and also as having attained that age. Does the government realize what they are imposing upon Nova Scotia? They are asking that province to contribute, in addition to what they now contribute for their aged and infirm, some $600,000 or $700,000 per annum to carry out this measure. While the Duncan report, which we hope will give some relief, suggests an additional subsidy of only $850,000 all told for that province, if this government carries out its present proposal and Nova Scotia accepts it, almost the whole of that increased subsidy will have to be paid out for old age pensions. I do not know what the figures are in regard to the other provinces. I have seen them in tabulated form, but the one that struck me was with regard to Nova Scotia. That is a burden which that province cannot bear.

I object to this scheme as a mere piece of patchwork. One of the chief criticisms to be levelled against it is that it will apply unequally, bear unequally, unless every province submits to the dictation of this government in matters over which they themselves have control. Now, have I made clear the position of the party which I have the honour to represent in this House upon this question? We ask for a federal measure. The cost of the present proposal is estimated at something like $12,000,000 a year. The cost of a federal scheme, according to the report of the committee which examined into these matters, would be about $23,000,000 a year. Shall we make two bites of the cherry, I ask? Why not adopt a federal scheme? Why not pay the whole amount out of the federal treasury in order that we may have a uniform system throughout Canada?—one which must bear equally upon all the provinces, because all the provinces must contribute their fair proportion of the taxation of the country.

That is the policy of the Conservative party on the subject. That is the measure for which we ask. If it is denied to us, what are we to do? Vote against the present measure? No. We will do as we did last session, we will say to the government and to the country: We will accept half a loaf or a quarter loaf rather than get no bread at all, and our support of the present bill is only by reason of the fact that this government will not bring in a federal measure, which is the one we desire and the one we advocate.

Mr. HEENAN: Mr. Chairman, I am glad to hear the remarks of the leader of the opposition, for if he is keen to spend $24,000,000 I am sure there will be a fair chance of getting him to vote for the $12,000,000 which we propose. As to the attitude of the Conservative party, I notice it is somewhat changed from that taken last session.

Mr. GUTHRIE: No.

Mr. HEENAN: I think there is on record a document from the then leader of the opposition to the effect that he would not consider the introduction of an old age pension plan for Canada.

Mr. GUTHRIE: I never heard of it.

Mr. STEVENS: Where is the document?

Mr. GUTHRIE: Will my hon. friend tell us what document he refers to? I have never heard of it. I am only asking out of curiosity now.

Mr. HEENAN: Before the debate is over I think the document will be produced, or I am very much mistaken. If it is not produced I will take back that statement. Referring to another remark by my hon. friend, I think he said that last session every member of the opposition spoke in favour of the principle of old age pensions. Well, I sat through nearly all the debate, and it may be I do not quite understand the English language, but I thought many members on the other side of the House were not only trying to discourage the adoption of an old age pension plan, but spoke absolutely against it. Indeed I do not think my hon. friend would have very far to look to find some around him right now.

Mr. GUTHRIE: I have read the debate.

Mr. STEVENS: You had better name them.

Mr. HEENAN: The argument of my hon. friend that the provinces would not co-operate in an old age pensions scheme is something like the argument that was advanced during the time when other co-operative measures were under consideration in this House, yet we find in operation to-day co-operative plans between the various provinces and the federal government calling for an expenditure of over $65,000,000 from the federal treasury, and instead of the provinces trying to withdraw from those agreements they are asking for their extension.

Again, last session I heard the hon. member for Fort William (Mr. Manion) read the replies received from the premiers of the different provinces, and I believe he stated that not one of those premiers was in favour of the old age pension bill at that time.

Mr. MANION: Hear, hear.

Mr. HEENAN: I had not read over the documents at that time, but I have taken the trouble to do so since, and I am glad the hon. member says, "hear, hear", because evidently he has not changed his mind. I find that the Premier of New Brunswick stated:

While I feel that it would be a good thing—

That is not against it, is it?

While I feel it would be a good thing, yet it would be impossible for me to commit the province to any action in this matter at the present moment.

Mr. MANION: Is he for it?

Mr. HEENAN: He endorses the principle.

Mr. MANION: But he would not commit the province to it.

Mr. HEENAN: At the present moment.

Mr. MANION: That is what we were talking about.

Mr. HEENAN: So that premier was in favour of the plan.

Mr. MANION: Oh, oh.

Mr. HEENAN: The Premier of Nova Scotia replied:

Without a further and better understanding of the subject matter no action would be possible at present.

Mr. MANION: Hear, hear.

Mr. STEVENS: That is favourable?

Mr. HEENAN: Would you take it that he was against the plan?

Mr. STEVENS: Certainly.

Mr. GUTHRIE: Have you anything subsequent to that?

Mr. HEENAN: Without a better understanding he said no action would be taken at the present time.

Mr. MANION: What can you have more definitely against the scheme than that?

Mr. HEENAN: Evidently we do not understand the English language in the same way.

Mr. MANION: Has he said anything since?

Mr. HEENAN: We have had something since, but not from Nova Scotia. The Premier of Prince Edward Island replied:

I shall place the matter before my government at its next meeting and will then advise you of its decision.

Is that saying he would not have anything to do with the scheme?

Mr. MANION: It is not saying he would.

Mr. GUTHRIE: I supposed he welcomed it.

Mr. HEENAN: The Premier of Ontario said:

I shall be glad to consider the matter.

Some hon. MEMBERS: Oh, oh.

Mr. HEENAN: It might be a good laugh, but it is a laugh on the Premier of Ontario.

Mr. MANION: It is a laugh on the Minister of Labour, I think.

Mr. IRVINE: Are those the second or the third replies from the premiers?

Mr. MANION: It is their replies to the committee.

Mr. IRVINE: I happened to be on the committee, and I think all the premiers except one were expressly opposed to the pension scheme. I was wondering whether there had been any further replies.

Mr. HEENAN: No, these are the replies read by my hon. friend from Fort William.

Mr. IRVINE: I am afraid the minister is not reading all of the letters.

Mr. HEENAN: I am not.

Mr. STEVENS: These are the most optimistic corners.

Mr. HEENAN: Saskatchewan replied:

While we are disposed to think that an old age pension scheme should be undertaken, the difficulties in the way of the suggested scheme appear almost, if not entirely, insurmountable.

Mr. STEVENS: Strongly in favour!

An hon. MEMBER: Give us another favourable one.

The CHAIRMAN: Order.

Mr. HEENAN: If in view of these replies we now introduce a bill that removes the obstacles mentioned, would you not consider that the provinces are in favour of an old age pension scheme?

Mr. MANION: Finish the provinces' replies.

Mr. HEENAN: That is an illustration of their replies without reading any further.

[Mr. Manion.]

Some hon. MEMBERS: Oh, oh.

Mr. HEENAN: Well, I have some that are in favour of the scheme.

Mr. MANION: Read us one that is in favour of it.

Mr. HEENAN: As an example, the province of British Columbia was opposed to this scheme because the obstacles in the way were insurmountable, but to-day we have the spectacle of a bill introduced in the legislature—

Mr. MANION: "Spectacle" is right.

Mr. HEENAN: —providing for this on a co-operative plan.

An hon. MEMBER: What about Quebec?

Mr. HEENAN: We will discuss the details when the bill is before the committee. From the information we have in the Department of Labour we find that there are many schemes of old age pensions, about twenty-eight in fact, some providing for pensions at the age of seventy, others at sixty-five, others again at sixty, while in other cases no age is specified; and others provide for a diminution of pensions if the pensioner has an income or is possessed of property. In other words, it appears that old age pensions have been adopted in various countries to meet the conditions peculiar to those places.

In this country the subject of old age pensions has been under consideration for the past twenty years. In 1906 a resolution was introduced to deal with the matter, and again in 1908, in 1912 and in 1913, resolutions were introduced calling for the appointment of special committees to consider the advisability of adopting an old age pensions plan. In 1908 a law was passed authorizing the sale of annuities for old age. That was the first practical movement in the direction of old age pensions ever made in Canada. In 1914 a resolution in favour of an old age pension system for this country was moved in the House, but the debate was not concluded. In 1922 the House of Commons adopted a resolution introduced by the member for Hull declaring that in its opinion the federal government should consider the advisability of devising ways and means of establishing a system of old age pensions in Canada. In 1924 a special committee of the House was appointed on motion of the Prime Minister to inquire into an old age pensions scheme for Canada. That committee reported on July 1, 1924, submitting the following recommendations:

1. That an old age pension system be established at the earliest possible date for deserving indigent persons of seventy years of age and upwards.

2. That applicants for pension must be British subjects of at least twenty years' residence in Canada, or naturalized subjects of at least fifteen years' naturalization and twenty-five years' residence.

3. That the maximum rate of pension be twenty dollars per month, which will be lessened by private income or partial ability to earn.

4. That one-half of the amount of the pension payable be borne by the federal government; the other half, by the provincial governments of such provinces as express by legislation their desire to adopt the system—the cost of administration to be borne by the provincial governments.

The report of the committee was communicated to the provinces to ascertain their views in the matter. At the session of 1925 the committee was reappointed, and the correspondence between the various provinces was submitted to it for consideration. After careful deliberation, and having obtained advice from the Department of Justice, the committee again favoured the adoption of a co-operative system of old age pensions. The chairman of the committee in moving the adoption of its report on June 18, 1925, in the course of his remarks said:

> This government has taken the initial step and we hope the matter will be proceeded with and prosecuted until it arrives at a successful conclusion in a co-operative movement between the federal government and the provincial governments.

As hon. members are aware, the government last session introduced a bill along the lines recommended by that committee, and it is practically the same measure I have the honour to introduce at this time. The bill introduced last year passed this House, as hon. gentlemen no doubt know.

In view of the fact that representations have been made from some quarters urging that a different system be adopted, that is to say, a purely federal scheme, and one which my hon. friend on behalf of the Conservative party now also advocates, I desire to call the attention of the House to the fact that, when the resolution to concur in the recommendations of the committee was before the House in 1925, the committee having suggested a co-operative plan, an amendment was moved that the report be referred back to the committee with instructions to consider and report again upon a purely federal scheme. That amendment was voted down by 139 to 17 in this chamber. There is no question therefore that the decision of the House at that time was against a purely federal system. As I have already said, the House during the last session passed the bill, but it was subsequently defeated in the Senate and consequently did not become law.

During the last election campaign the question of old age pensions was one of the matters which were most prominently before the electorate of Canada. One could hardly read a newspaper during that campaign without noting some reference to the desirability of establishing a system of old age pensions in this country. If we are to interpret the will of the electorate on that question in the way we usually interpret electoral decisions, there can be no question that the principle adopted in this bill was endorsed by the people of Canada.

During the debate last session some members advocated a contributory system. I believe the hon. member for West Calgary (Mr. Bennett) was one of those who espoused that scheme. But as the Prime Minister (Mr. Mackenzie King) pointed out at that time, practically every scheme of old age pensions in existence to-day began upon a non-contributory basis. They were all initiated at first as purely non-contributory plans. Like the Prime Minister, I feel that if we were establishing an old age pensions scheme with our younger people in view, I should myself be inclined to the contributory system. But having in mind the fact that we are facing a practical problem, and that we are legislating for our old pioneers, indigents, if you will, who have been unable through lack of opportunity or by reason of misfortune to provide for themselves, I think that the plan we are now proposing is the best one, at least for the time being. At the same time I hope to see the annuity system developed—

Mr. BENNETT: Hear, hear.

Mr. HEENAN: I trust my hon. friend will say "hear, hear" to what follows. I hope to see the annuity system developed into a broad scheme of social insurance. Of course it will be on a contributory plan, and I am hoping that it will also be in co-operation with the provinces. I have given a good deal of study and thought to the extension of the annuity system, and I see great prospects ahead for that scheme.

It has just been argued by the leader of the opposition that the provinces may not come into the scheme on a co-operative basis, and one of the reasons given is that it would be too expensive; the province of Nova Scotia was taken as an example. I am afraid those supporting that view have not considered the fact that the provinces and the municipalities bear the entire burden now, and by this legislation we are attempting to lighten that load by offering to contribute one-half of the cost.

Mr. BENNETT: One is charity and the other is a pension.

Mr. HEENAN: It does not matter what you call it; you may re-christen the bill if you like, but we are offering to bear one-half of the cost which they bear at present.

Mr. BENNETT: It does not touch that.

Mr. HEENAN: Who is taking care of it?

Mr. BENNETT: The municipalities.

Mr. HEENAN: And the provinces, and if we do it in co-operation with the provinces we will be using the machinery already in existence. I want to point out just what the establishment of a federal old age pension plan might cost, considering administration only. I sent telegrams to several of the provincial premiers, to which I have received two replies. I asked the cost of administering the Workmen's Compensation Act and the Mothers' Allowance Act and I will give the House the replies received from Ontario and British Columbia. For the last full year in Ontario the cost of administering the Workmen's Compensation Act was $277,936.16, and the cost of administering the Mothers' Allowance Act $73,516.73, or a total for Ontario of $351,452.89. In British Columbia the administration of the Workmen's Compensation Act cost $104,980 and the Mothers' Allowance Act $16,048, or practically half a million dollars for these two acts in the two provinces. We would practically duplicate that expenditure if we set up a federal scheme of this kind, so is it not better to work in co-operation with the provinces in order to lessen the cost of administration by using their own machinery?

I think there can be no question of the necessity for an old age pension scheme for indigents; for proof of that we have only to look about us. Right here in Ottawa the city is at present taking care of 641 people, many of whom do not belong here, which is one of the difficulties all through the country in relief work. Men become indigent and come into towns and cities for relief; the municipalities often feel that they are overburdened with their own indigents, and try to evade the responsibility of taking care of the outsiders. In that way the burden is not shared equally, nor are the people treated in the same way.

I am sure that if hon. members will only think it over they will realize that we should give a better assurance to the older people, the pioneers of this country who have not been so fortunate as some of the rest of us, that in their declining years we will not throw them on the scrap heap. Old age and poverty combined plead their own case; there is no necessity for anyone to advocate their cause, but I feel that we should not evade our responsibility by saying that we would prefer another act and therefore will not support this scheme.

This bill passed the House last session after a great deal of discussion, but was defeated in the Senate. Subsequently it went out to the electors during the last campaign, and if there was one question discussed more than another, even more than the customs scandal, it was the old age pension scheme. I contend that the principle of this bill has been endorsed by the people. To those who still think that the provinces may not co-operate let me say that when other schemes of a co-operative nature were under consideration here it was predicted that the provinces would not participate in them, yet now we have some five or six co-operative schemes in force calling for an expenditure by this government of over $65,000,000. Just last week we had representatives of the different provinces asking that we extend our activity in connection with one of these schemes. Nova Scotia was represented, and I cannot believe that Nova Scotia would have any less regard for humanity than for its progress along material lines.

The argument advanced by my hon. friend on behalf of Nova Scotia seems to be taken from other arguments advanced in another chamber during last session, and I do not think the people of Nova Scotia would agree that over forty per cent of those over seventy years of age are indigent and unable to take care of themselves. That is a guess, as many other things which have been said in this chamber are guesses. What we should do is pass a bill and get it in working order, and then we can amend it according to the experience gained from practical knowledge.

When the workmen's compensation acts were introduced, many of us thought the compensation was not sufficient, and many protests against the pittances, as they were called, were made. But some of us in the front row were fighting to get the principle established, and one of the things I would like to see established in the interests of the working men of this country now is an old age pension bill. Let us get it into working order and then it can be amended as was done with the Mothers' Allowance Act, the Minimum Wage Act for women and girls and the Workmen's Compensation Act. Now, as I say, British Columbia has not only intimated its approval in correspondence from the prime minister, but a bill was introduced at this session of the legislature providing for

the making of an agreement between the government of that province and the federal government. So that we have made a start along the right line.

Having given a great deal of thought and study to the subject, and having taken every possible factor into consideration, I think we should adopt this measure, and the principle contained in it, as best suited to the needs of the country at the present moment. The bill will accomplish what it is intended to do. It will assist those in need who are over seventy years of age and have not been able to provide for themselves in their declining years.

I should like to see all the members of the House range themselves unitedly behind this bill. Then we could impress everybody outside parliament who may have to deal with the subject in a legislative way that we are united in the matter. It will be a cue upon which they can act so that the law will be applied throughout the whole of Canada. After the measure has gone into effect and we find that any amendment is necessary, and the country is willing to support the obligation the change may involve, we can amend it just as we have amended other measures in the light of practical experience.

Mr. GEARY: I do not think this House needs any particular advocacy of an old age pension bill, and that part of the address of the Minister of Labour might very well have been omitted. My hon. friend has given a very lucid description of the difficulties which have arisen in endeavouring to secure the co-operation of the provinces in this measure. And whether he intended it or not he succeeded in convincing me that the federal government has not nearly approximated to that agreement with the different provinces which must be arrived at before this measure can be of any avail.

The position enunciated to-night by the hon. leader of the opposition is no new position for the Conservative party; it is the position that we on this side took when the bill came up for discussion in the House last year. I can refer to a speech of mine on that occasion, which was agreed to by all members on this side, which stated the position then as the leader of the opposition has stated it to-night.

An hon. MEMBER: At what page is it to be found?

Mr. GEARY: At page 2495 of the revised edition of Hansard. The quotation in question is:

> There is no legal objection to the passing of a bill by the federal House assuming the entire responsibility.

I am interpolating some words:

> If the government feels it can go the whole way and provide the money for the scheme throughout the Dominion of Canada, I shall be very glad. Failing that, and in the hope of getting something, in the hope that the Prime Minister may prove to be right when he says that he is sanguine that it may lead to results, I shall support the measure.

Now that was a very definite agreement with the measure that was submitted, and members on this side of the House unanimously took that same position. Therefore there was never any question as to this side being opposed to the old age pension scheme on principle. We agreed to the measure. There was no vote against it. There was no suggestion of a vote against it. There was only the suggestion that it was a poor measure, inasmuch as it would not produce the result aimed at, but that if the government would consent to take all the responsibility on behalf of the Dominion, then we would get a bill that would be workable. That is the position we took then, that is the position we take now; and if the government can see its way clear to say that it will introduce a bill assuming full responsibility financially for the measure, then we on this side, as I understand my leader, are prepared to and will accept such a measure proposed by the government.

I agree thoroughly as to what was said as to the representations during the last election. Personally I met those representations in various ridings. They were most unfair, they were not justified by anything approaching the facts. They were made from Liberal platforms for the purpose of securing votes for Liberal candidates against Conservative candidates. They were untrue, they had no basis in fact, and what is more they were not sporting or fair; it was not putting this party in its proper light, nor stating the position this party took when the measure came up.

In 1924 this matter was almost identically reported on by the committee in the terms in which we have the bill to-night. Two years passed by before the government introduced the bill. They had communicated in a very slim sort of way with the different provinces, but they had made no effort that indicated any serious intention to get the provinces into communication to discuss the matter and see if an agreement could be arrived at which would enable the bill to be worked out. I am subject to correction but I do not think I can be corrected in the matter when I say that all that was done was to send a communication to each premier of a province, and to take the reply and file it away. There

was no real effort to arrive at some sort of round table conference by which we would know what the provinces would agree to and what suggestions as to alterations they wished to make. The hon. member for Winnipeg North Centre (Mr. Woodsworth) can probably add very much to the information which this House possesses at present as to the genesis of this bill last year. Whether the government intended to introduce a bill or not I do not know but it clearly appeared from the proceedings—from the remarks made by my hon. friend and from the story of his visits to the Prime Minister—that it was only on his insistence and, in a way, on his threat, that the government did introduce the bill we have now before us. It was not mentioned, as one of my hon. friends close by says, although important enough in every sense, in the speech from the throne in 1926. The government might have had the intention to introduce the bill but they did not mention it, although they mentioned, goodness knows, almost everything else in the speech from the throne; and it was not until the hon. member was able to interview certain members of the government and secure from them the letter which he placed on Hansard that this bill was brought down.

I have nothing more to say in advocacy of old age pensions. As to that I think we all agree. I said what I had to say last year, and I stand on the record of Hansard as to my views on that occasion. We did not vote against old age pensions; we only suggested to the government that if it desired a bill that would work and that would give an old age pension to the people of this country, almost at once, or as soon as the effective machinery could be put into force, then they should adopt our suggestion and assume the whole financial responsibility.

Well, I look with a good deal of apprehension upon the progress of negotiations with the province. We have already found from negotiation that some of the provinces are not agreeable to this measure. Whether other provinces will assist in its going through this year, despite the disagreement of those who will not come in, I do not know. We look upon a path that is beset with difficulties, and desiring earnestly and sincerely as we do a workable scheme of old age pensions, we think the government should adopt the suggestion we made last year, and have again made at this moment, to frame the bill in such a way that the federal authorities will assume full financial responsibility. You will effect your object, and you will not be taking too much in the way of advice from us. You will be getting, after all, what the government claims to want and what the members on this side of the House want.

I only suggest in closing, Mr. Chairman, that the government even at this late stage—and we are early in the session yet—do reconsider the proposition that they have before them, and that they remodel the bill in the sense that I have indicated. If they do, I believe that it will secure the unanimous support of the House, and that we shall get a workable measure. Failing that—I represent my own feeling of last year and this, and endorse every word the leader of the opposition has said—we on this side of the House will support the measure that is now before the committee.

Mr. COOTE: Mr. Speaker, I do not think it is necessary for me to say that I am in favour of old age pensions. I have been so for several years. More than that I have been in favour of a purely federal scheme if it could be secured in this House. I am rather glad that our friends to the right have had a change of heart, and that they now favour a federal scheme. I remember very well less than two years ago, when the report of the special committee which was considering the matter of old age pensions was being considered in this House—and by the way, that report recommended, I believe, that a conference should be held between the Dominion and the provinces to consider some joint scheme—the then member for East Calgary (Mr. Irvine), who had been a member of the special committee, and who was in favour of a federal scheme, and was of the opinion that the communications from the provinces to the Dominion did not give any indication that they were ready to proceed with a joint scheme, moved, on June 18, 1925:

> That this report be referred back to the committee with instructions to consider and report upon a purely federal scheme.

That motion did not meet with a great deal of support in the House. The division upon it is recorded at page 4433 of Hansard, 1925, and I find that the following members voted in favour of Mr. Irvine's motion: Messrs. Bancroft, Bird, Black (Yukon), Campbell, Church, Coote, Davis, Gardiner, Garland (Bow River), Good, Irvine, Kellner, Kennedy (Edmonton), Leader, Shaw, Ward and Woodsworth; a total of seventeen. Those voting against the motion totalled 139. The list is too long to read, but it included all the other members who were in the House at that time.

Mr. DUFF: Read the list of the Tories. Put them on record.

Mr. COOTE: I am afraid it would be taking up the time of the committee. The Tories and the Grits, I presume, are all mixed up in this list, for this was one occasion when the Tories and the Grits voted together, except for two Tories, all honour to them, who voted with us upon that occasion.

Lest there be some misapprehension in the minds of the committee as to how hon. members to our right, and I suppose those who sat opposite, felt when they voted against this motion, may I quote the remarks of one of the members of that committee. I shall be very brief. The member for Parkdale (Mr. Spence) said:

As one member of the old age pension committee, I may say that we have given this matter a great deal of consideration, and I hope that at this late hour of the session we shall not take up too much time discussing it. The hon. member for Brantford (Mr. Raymond) has given the House the effect of the recommendations of the committee, and may I say that the recommendations we have made will get somewhere?

Might I interject there, the members to our right have changed their minds. They think now it will not get anywhere. He goes on:

But the amendment moved by the hon. member for East Calgary (Mr. Irvine), and supported by the hon. member for Centre Winnipeg (Mr. Woodsworth), is simply playing to the gallery.

I wonder what my friends to my right are doing now? He goes on:

We had no intention of stalling this old age pension question; that was not our desire at all We have made a recommendation, not to the effect that a special conference should be called, but I understand that a conference is going to be held this fall of the premiers of this Dominion, and at this conference this matter can be taken up. We cannot hope to go into this scheme at all.

Mr. Irvine: Why not?

Mr. Spence: The cost is entirely too high. At the present time this country cannot bear it.

Might I interject that we can now afford to build a $700,000 exhibition building. The debate continues:

Mr. Irvine: Then why not have the courage to say so, to tell the people the truth?

Mr. Spence: We are.

Mr. Irvine: You are not.

Mr. Spence: We feel that the administration by the provinces would be much cheaper. The overhead would not be so large. We have given this matter all the consideration that is necessary, and I hope the House will pay absolutely no attention to the amendment that has been moved to the committee's recommendations.

It is true that the House did not pay very much attention to the motion of the hon. member for East Calgary, but I am very glad that Hansard is in existence to prove that there were some of us at that time who believed in a purely federal scheme. I am still of the belief that it is the best thing. I believed that a year ago. I did not oppose the government's bill, because we had this division recorded here giving us the views of the members of parliament, and the majority of the members of both the old parties in this parliament apparently were strongly opposed to a purely federal scheme. Under the circumstances, what were those of us who wanted an old age pension scheme to do? The only thing we could do was to accept the bill the government brought down a year ago.

If the government will change the principle of the measure we have now before us, to make it a purely federal scheme, I shall be very glad to support it, and I would support it with much more vigour and enthusiasm than I shall this particular measure, but if they will not do that, I shall support this measure to the best of my ability, because I think it is time we inaugurated some old age pension scheme in Canada. If we pass this bill, we shall find out whether it will work or not. As a final word to the Minister of Labour (Mr. Heenan), I would say that I still believe in a purely federal old age pension scheme as the proper thing, and I should be very glad if even now he could see his way clear to change the principle of this measure to make it a purely federal scheme.

Mr. J. E. FONTAINE (Hull) (Translation): Mr. Speaker, I intend to be brief in my remarks. Having, however, set my heart so much on this question of old age pensions, I deem it my duty to state that I shall give this resolution my utmost support. I say, Sir, that I have at heart this question, and to give further proof, in 1922, as the hon. Minister of Labour (Mr. Heenan) stated a short while ago, I had the honour to move a resolution requesting the government to favourably consider the enactment of legislation with the view of providing for old age.

It was only in 1924 that a committee was appointed in order to inquire into the matter, and last year, in 1926, a bill was brought down by the government making provision for old age pensions. This act was based on the report of the committee appointed in 1924, and by which a pension of $20 per month was to be paid to destitute old people having attained the age of seventy.

It is true, as the hon. leader of the opposition (Mr. Guthrie) stated a short while ago, that the opposition of that time did not

oppose this measure; however, as in the present case, those who then formed the opposition put forth all kinds of arguments in order to criticize the bill, and slanderous tongues even went so far as to state that the leader of the opposition of that day —Mr. Meighen—had influenced his friends in the Senate in order to have the bill disallowed in the upper house.

As it was previously stated by the leader of the opposition, this question was freely discussed by the public in the course of the last electoral campaign, and so far as I am concerned, I know that in my riding and especially in the city of Hull, a large number of votes were cast in my behalf because I had stood up as the sponsor of this measure. It seems to me but just that the state should come to the relief of the workers and citizens who have laboured all their life, when their hands cannot render the same services and they find themselves unable to earn the same wages. Pensions have been provided by the government for various classes, namely for judges, civil servants, and I think it is but right. By providing a system of pensions, railway companies, among others, come to the assistance of their old employees. I think it is the duty of a country to look after their old servants whose only fault is to have worked for small wages, to have raised large families and not to have provided for their old age. I often hear it said that these people should have been more thrifty and wiser, that they should have set aside savings. But how can you expect people who earn wages of two or three dollars per day to lay aside savings when they raise large families and have to provide for them?

If there is a sad spectacle, it is to see people who have been good citizens all their life forced to take the road which leads to the poor house because they were unable to lay aside savings and because the government does not come to their rescue.

I think the resolution is well in order and I wish to thank the right hon. Prime Minister (Mr. Mackenzie King) for the activity which he displayed to have this resolution carried. Moreover, an old age pension act is part of the Liberal program and I can recall that at the time of the 1919 convention, a special clause was adopted with such a view. I also remember that our old leader, Sir Wilfrid Laurier, at a large meeting held in Montreal in 1916, stated that one of the first questions which he would consider when he returned to power would be the enactment of a system of pensions for old people.

[Mr. Fontaine.]

Mr. Speaker, I am entirely in favour of this resolution and I trust that it will be unanimously carried by this House. I also hope that this year the Senate will reconsider their decision and acknowledge that they made a mistake last year, and once for all will accept with good grace this old age pensions bill, thereby displaying not only patriotism but especially a philanthropic spirit.

Mr. RYERSON: Mr. Speaker, as mover of the resolution which stands in my name, dealing with this subject, I would like to say a few words at this time in support of a purely federal scheme of old age pensions. Too often in the past it has been used as a political football, both in this House and on the public platform. This question has become one of such urgent importance as to call for the earnest and thoughtful consideration of every hon. member. As representatives of this Dominion we should no longer deal lightly with the responsibility which rests upon us to enact legislation which will relieve the distress of those of our people who, in the evening of their lives, are without means and unable to support themselves. The demand for some measure of relief is now so insistent that it becomes our duty to deal with it in a practical and businesslike manner. Our responsibility in this matter is our obligation as a Dominion to these unfortunate citizens and how best to meet that obligation.

In reply to the argument which we have heard that the relief and care of the aged poor is a matter for the provinces and municipalities to deal with, I would point out that many of these people, representative as they are of all walks in life, have been in the past worthy and useful citizens, having contributed in different ways to the life, prosperity and upbuilding of this country as a whole, and are to-day in the unfortunate position in which we find them through no fault of their own, but by reason of circumstances over which they have had no control. For this reason I claim that our obligation to them is a direct one, and any relief which we may decide to render in the form of old age pensions should be direct to the pensioners and not one of contribution through the provinces. Hon. members representing all groups in this House have at different times, both in this chamber and on the public platform, declared themselves in favour of the principle of old age pensions. This declaration of principle is all right as far as it goes, but as a measure of relief a mere

declaration is of no value whatever. What is more important at this time is some method or scheme of practical application.

Organized Labour, as represented by the Trades and Labour Congress of Canada, has declared itself in favour of a purely federal scheme of old age pensions. In confirmation of this, I will read two clauses dealing with this subject taken from the Memorandum of Proposed Legislation submitted to parliament on December 16, 1926. On page 22 I read:

> It has been made very clear that there is strong public support for any measure which would apply equally to all Canadian citizens irrespective of the province in which they reside, and that this could be best brought about by the federal government assuming the whole responsibility for the cost of such pensions.

And again on page 23:

> In view of these circumstances, we press for the enactment of a federal law under which pensions would be payable upon reaching the age of sixty-five years and after fifteen years domiciled anywhere in Canada.

I am in full sympathy with that part of the last clause placing the age limit at sixty-five years, at which time pensions should begin. We must realize that many people lose a great deal of their physical vigour through sickness and overwork long before they reach seventy years of age. In these days of keen competition and intensive production, it becomes increasingly hard for workers, once they are out of a job, to secure new employment after they reach the age of fifty. If they have been unable, prior to this age, to save anything for the future, the outlook for them will indeed be a black one, and long before they reach the age of seventy, many of them will be in want or forced to seek shelter in some of our charitable institutions. Many organizations take care of their employees by means of old age pensions, and in all such cases I believe the age is set at sixty-five, when pension becomes payable.

The government may protest that they are unable to provide the necessary money for the larger scheme. We are now spending millions of dollars annually upon all kinds of projects, many of which appear foolish and extravagant, and which we could very well do without. Surely the money can be found for a humanitarian purpose of this kind.

We are told that the present bill follows the exact wording of the one passed by this House in 1926. If this is correct, then it will be subject to the same criticism and in the end will be of very little value as a measure of relief. I claim, Sir, there is a strong public support for a measure that will go much further than this bill will go. I strongly appeal to the hon. Minister of Labour who is responsible for this legislation to give full consideration to the views of hon. members and the recommendations of organized labour rather than attempt to force this bill through as it stands.

Mr. IRVINE: I am very glad, Mr. Chairman, to note the general agreement in the committee with respect to old age pensions. I do not think any hon. member is really opposed to such a scheme, and in my short experience of parliament I do not recall any other proposal that has met with such unanimity. I need not say that I am very much in favour of old age pensions, having advocated their being provided for on several occasions in preceding parliaments. However, I am afraid that the bill to be based on the resolution now before us will be very unsatisfactory and that the Minister of Labour will find himself in the position of Mother Hubbard—he will have a lot of people coming to his cupboard but he will not have a bone to give them.

There is absolutely no assurance that this bill will result in anything tangible. When the Minister of Labour was seeking to assure the committee of the willingness of the various provinces to accept the legislation he told the committee, in reply to my question, that he was reading the letters which had been sent to the parliamentary committee which dealt with this subject in 1925. I wish to read a little more fully the letters that the Minister of Labour presented to us in order to leave it to the committee's judgment to say whether we can be assured that when we have passed the proposed bill it will meet with any practical success. The first is from the New Brunswick government, under date of May 23, 1925. I am quoting from Votes and Proceedings of the House of Commons dated June 16, 1925. The premier of that province wrote:

> This province is now considering the establishment of what is known as widows' pension, and we are not prepared to take any decision in the matter of an old age pension. While I do not disapprove of the old age pension, and feel that it would be a good thing, yet it would be impossible for me to commit the province to any action in this matter at the present moment.

Under date of February 17, 1925, the Minister of Public Works and Labour for Quebec wrote:

> On the occasion of the recent visit of the delegates of the Trades and Labour Congress of Canada, this question was taken up and, al-

though it was not submitted in the regular way to the cabinet, I understood from the remarks of my colleagues that it could be no question for the province of Quebec, considering the obligations actually imposed upon it, of adopting a law which would take care of the old age pensions in this province.

Under date of June 2, 1925, the Premier of Nova Scotia Hon. Mr. Armstrong, wrote:

In view of the importance of the subject matter, and the lack of an opportunity to fully consider the same, I was instructed to advise you that without a further and better understanding of the subject matter and without an opportunity to fully discuss it with your committee, no action would be taken upon the matter at present.

Under date of May 22, 1925, the Premier of Prince Edward Island, Hon. Mr. Stewart, wrote:

In this province, as you probably are aware, except in the towns, we have no municipal government, consequently all assistance to indigent and aged persons is furnished directly by the provincial government, either in the provincial infirmary or by monthly contributions to private persons who become responsible for their support. I have read over your letter and the accompanying report with interest. I shall place the matter before my government at its next meeting and will then advise you of its decision.

The Premier of Ontario, Hon. Mr. Ferguson, under date of November 24, 1924, wrote:

I shall be glad to consider the matter.

Under date of February 25, 1925, the attorney general of Manitoba, Hon. Mr. Craig, wrote:

We are in the midst of our session just now with the multiplicity of matters requiring immediate disposition. I shall, however, take up the matter with the premier and the minister of public welfare at the earliest opportunity.

If the Minister of Labour has not yet heard from the Manitoba government I presume they are still taking the matter up. Saskatchewan, under date of November 19, 1924, when the hon. Minister of Railways (Mr. Dunning) was premier and the present Premier of Saskatchewan, Hon. Mr. Gardiner, was the minister of labour and industry for that province, the latter wrote:

The government of Saskatchewan is of opinion that an old age pension scheme for Canada can best be adopted by the federal government alone. There would seem to be so much difficulty in the way of providing any scheme that would be suitable to all the nine provinces of Canada as to make it almost impossible, and it will be readily understood that if any number of the provinces were to remain out, it would be almost impossible to adopt any scheme that would not subject those provinces within the arrangement to considerable expense that should rightfully be borne by those outside the scheme.

While we are disposed to think that an old age pension scheme should be undertaken, the difficulties in the way of the suggested scheme appear almost, if not entirely, insurmountable.

Now, I believe that Alberta has prepared a bill in anticipation of this legislation, which it is ready to accept. I understand from the Minister of Labour that the British Columbia government is considering this scheme favourably. But with the exception of those two governments, unless the minister has some information which he has not given to the committee, the other provincial governments are not in favour of this bill. If they are not in favour of it, we have really no bill. In other words, the bill will be absolutely impracticable. It may be regarded as a good move on the part of parliament to be so kind as to pass an old age pensions bill, but that will not feed very many aged ladies and gentlemen in this country.

Now, I think the proposal is an expensive one, apart from the fact that it will not be very likely to meet with any success. Surely if a sum of $24,000,000 is to be collected in taxes to finance this proposal, it would be easier and cheaper for one government to do the collecting. Otherwise there will be a duplication of administrative machinery, and the cost of collection will be doubled, and there will be no gain to offset that duplication. If I as a citizen of Canada living in Alberta have to pay $10 in taxes for old age pensions, do I feel particularly pleased because I have to spend a two-cent stamp to send $5 to Ottawa and another two-cent stamp to send the other $5 to Edmonton? Would it not be better if I sent the whole ten dollars direct to this government? That is of course direct taxation. I do not know by what means the government intends to raise the money, but it matters not what method is adopted, there will have to be two systems of collection and the same people will pay the money. What is to be gained by this? It appears to me that this parliament is actually ignoring or attempting to escape its responsibility. The Minister of Labour in his closing remarks urged that we should be very careful not to shirk our responsibility in this matter; yet I think the bill provides a means whereby we may all do so. If the provinces adhere to the opinions which they have expressed, according to the letters which are on record, then I cannot see that we are likely to have any old age pensions in Canada. May I remind the committee that when we were discussing the subject in 1925 the special committee appointed to take the matter of old age pensions into consideration was dissatisfied with

these letters, as one would naturally suppose. The committee instructed its clerk to write to the various governments again and ask if they were sure that they understood what was meant, and to reply as speedily as possible indicating their views. I do not know that any replies have ever come; if they have, the Minister of Labour has not given them to us. I can only assume therefore that the provinces which are on record in the matter still hold to the opinions they have already expressed, and we have no right to assume that they will alter those opinions when we pass the bill.

I am of course in favour of a federal scheme, as I was in 1925, and I am glad that the leader of the Conservative party has taken a firm stand on the matter. I am sorry that his party did not do so before. I am not blaming the government for doing as it did, because a reference to the vote which the hon. member for Macleod (Mr. Coote) placed before us will show that the overwhelming opinion of parliament at that time seemed to be that a federal scheme should not be proceeded with. The government, with that opinion to guide them, went ahead with this scheme in the hope that it would be better than nothing at all. Now however that the Conservative party has taken a definite stand on the question I cannot see why the government could not accept the federal scheme, and let parliament assume the responsibility for it. Why should the government be so anxious to assume responsibility for a bill which will prove impracticable when all parliament is willing to become responsible for a better measure? Of course, if the government will not take the suggestion offered by all members on this side of the House, I for one will not vote against this Mrs. Hubbard proposal. It is better than nothing even to be able to say that one has considered the question favourably. I do hope, however, that the Minister of Labour and the Prime Minister will carefully reconsider the whole proposal before refusing to accede to the expressions of opinion which have come from this side of the House asking for a federal scheme.

Mr. SMITH (Cumberland): I desire to associate myself with the sentiments expressed by all those on this side of the House as being in favour of a federal scheme of old age pensions. In the absence of such a scheme, however or of any legislation looking to that end, we are prepared to support the resolution before the House inasmuch as it recognizes the principle of old age pensions on which we are agreed. Reference was made to the position Nova Scotia would occupy under this joint scheme of old age pensions, and the leader of the opposition (Mr. Guthrie) was very modest in his estimate of the amount it would cost the province under the proposed legislation. I have before me the figures which I may say are based on the operation of the old age pensions scheme in Australia in which forty per cent of those eligible to receive pensions actually apply and do receive assistance under their scheme. The working out of the scheme in this Dominion on the same basis as applied in Australia shows that in Nova Scotia our share would amount to $1,188,000 annually. That would be our staggering contribution towards the project. Take the little province of Prince Edward Island; its proportion would be $255,000 odd. In other words, over one-third of the revenue of Prince Edward Island would be absorbed in its contribution towards this old age pensions scheme. And what applies to Nova Scotia and Prince Edward Island applies equally to New Brunswick. We are the old provinces of the Dominion, and the proportion of older people is far greater than in the western provinces or even in central Canada.

It has been stated that there is some constitutional question that prevents this parliament from passing a federal old age pensions bill. As I understand it, the opinion came from the Department of Justice in 1924 or 1925, based upon a section of the British North America Act, that the civil and property rights of the provinces were clear and distinct and could not be transgressed by the federal authorities. It seems to me that if the federal scheme is unconstitutional on these grounds it is a much more unconstitutional matter to force a province to contribute to a scheme into which it has not entered. In other words, if Nova Scotia or any other province decides not to participate in the scheme as brought down in the House to-day while other provinces do so, then Nova Scotia will be contributing to the expenses incurred for the benefit of the rest of the Dominion without receiving any benefit. That is far more unconstitutional than any interference with property and civil rights of the provinces as suggested by the decision given by the Department of Justice in 1924.

A suggestion was made last year by the hon. member for Inverness (Mr. Macdougall) which appealed to me as being of considerable sense and importance in connection with old age pensions legislation. The hon. member stated that there were certain hazardous and arduous occupations such as coal mining, steel

working and the employment of women in factories which should be classified under an old age pensions bill as constituting eligibility for pensions at the age of sixty. I cannot help endorsing that suggestion as humane and highly important.

I do not know that there is anything more for me to say except to repeat what I stated in opening, that we on this side of the House favour an old age pension scheme, preferably one of a national character inaugurated and operated by the federal government, one which will do justice to every individual part of Canada. In the absence of that, then we accept the next best thing, the resolution brought forward by the Minister of Labour to-night.

Mr. NEILL: I would like to answer a few of the criticisms made in reference to this resolution for fear that it may be criticized to death, as was done last year, or so damned with faint praise as to be ineffective. I would like first to deal with the remarks of the hon. member for Wetaskiwin (Mr. Irvine), who quoted a number of letters received from the different provinces, nearly all of which were unfavourable to the idea of co-operating with the federal government in an old age pension scheme. But he did not tell the situation and the circumstances. He and I were on a committee of this House in 1924 when this question was taken up and we decided that the first thing to do was to put it up to the provinces. We assumed that they knew what we thought we knew, that it was a provincial matter, but we had no authority to say so and we asked their opinion on that occasion. In response to that request we received the letters which the hon. member read and which, as he said, were all more or less antagonistic. I think the province of British Columbia went further than any of the others, practically telling us to mind our own business and attend to our own affairs. Then the matter was referred to the same committee, in 1925 and we were attracted by the trend of thought which seemed to be prevalent, that it was our funeral and none of the business of the provinces, so we decided to ascertain whether we had been wrong. In doing so we obtained an opinion from several of the best law officers of the crown, gentlemen who are supposed to be expert and who had the experience acquired in previous questions to guide them. Their report was made in writing and is on record, and it stated emphatically that so far as the British North America Act was concerned this matter had nothing to do with the Dominion, but was entirely a matter for the provinces.

They did add a corollary to the effect that if this House chose to do so it could aid any scheme initiated by the provinces, but they stated emphatically that we could not pass an act containing anything of an obligatory character. So we found that our previous conviction was right, and that the conviction so pronouncedly held by the provinces was wrong. We then sent out another circular or round robin to the provinces, conveying the report of those law officers, and then found the situation entirely changed. Instead of finding that we were trying to shove some of our obligations on them, a thing they naturally resented, the provinces found on the contrary that the obligation was entirely theirs and that we were trying to help the thing along by giving half or nearly half of the cost if they would take up the scheme. It was then that the provinces took a different view and modified the position which they had previously taken. For instance, we find British Columbia writing to say that they now understood the situation in a different light, and further evidence of that fact is to be found when we note that just a few days ago the legislature of British Columbia unanimously passed the second reading of a bill accepting any bill which this parliament may pass along the line of that now before us. That is a very decided change of attitude from that expressed a couple of years before, when we were practically told to mind our own affairs.

Then again the hon. member spoke of Quebec, of a letter from some member of the cabinet apparently speaking without authority. But in that committee of which I spoke there was present at least one representative of Quebec, and that representative agreed heartily with the resolution or report of the committee. Again the hon. member said that the government of Alberta was moving toward the acceptance of such legislation as well, which makes two provinces out of nine, or an average of twenty-two per cent, willing to accept this measure which has not yet been introduced. Surely we might hope that when the measure is fully explained and put before those governments, the pressure of public opinion in the different provinces will enable more of the others to come in as well.

Then again the hon. member introduced the argument that, after all, this money is paid by the people, so why not let it be paid by way of federal taxation? There is an answer to that, my friend said that it would be necessary to duplicate everything, but that is not so. It is not yet indicated in what manner the money will be obtained, but

I believe the suggestion is, that it is to be taken out of the consolidated funds, and in that case it would simply come out of the general taxes and would not cost anything more to collect. Then there is another feature of it. If we make it a federal scheme we will have to start a federal department to deal with it, with a minister at $14,000 a year and extras, a deputy at $8,000 a year, and a large staff, and in that way it would cost far more to administer such an act than it would if it were carried out according to the suggestion of British Columbia, for instance. That province is somewhat in advance of some of the others in the handling of the Workmen's Compensation Act; there it is done at a very fractional cost of the total expenditure, and it is proposed to put the old age pension scheme under the control of that same board. The head of that board told me a few months ago that they already have the necessary machinery, and that it was only a question of a little more clerical assistance to carry on the administration of such an act. This same board looks after the mothers' pensions act and it would cost very little more for them to do this work as well. In the administration of the Workmen's Compensation Act there is someone right on the spot or some one who can go anywhere at short notice, so that it would be infinitely cheaper and easier to do it in that way than to do it by any method which could be controlled from Ottawa.

Two hon. members opposite, particularly the hon. member for Cumberland (Mr. Smith) and the leader of the opposition (Mr. Guthrie) spoke of the prohibitive expense to some of the provinces in the east, particularly Nova Scotia, and I particularly noted that the leader of the opposition said that Nova Scotia would be saddled with this expense in addition to the present cost. I take issue with him there; it would not be in addition to the present cost but it would be less the present cost. The present relief work may not be done adequately; it may be done in a grudging spirit, but it is done and the cost is very large. I have a clipping in my hand, in which it says that in Vancouver the cost of relief ran up to over three thousand dollars for twelve days. That was only in one city in British Columb a —a sum of $3,000 was paid out in twelve days and coming on to the spring of the year.

The hon. member for Cumberland (Mr. Smith) questioned the constitutionality of legislation on old age pensions. But it is on record that the party of which he is a member, a few years ago introduced identically the same principle in connection with the Highways Act. They voted a large sum of money—was it twenty millions?—on condition that each province put up a certain percentage. I think the amounts were forty per cent and sixty per cent. The same argument was used then that the hon. member for Cumberland has used to-night. Certain provinces said, "If we stay out of this thing we will have to bear the burden of those who have gone in". The answer was, "Then, come in". The success of the scheme was such that provinces which did not come in at first came in later. They realized the advantage they were getting, the substantial sum they were receiving, and all the provinces finally came in. So we have got the precedent of constitutional practice for that phase of provincial contributions as well.

Mr. IRVINE: Would the hon. member say what form of question was submitted by the committee to the law officers of the crown? I am of the opinion, although I may be wrong, it was as to whether the scheme which the committee was then considering would be constitutional. I do not think we ever asked the law officers if this government had power to pass an old age pension bill from a federal point of view without considering the provinces at all.

Mr. NEILL: My impression is different from that of the hon. gentleman.

Mr. IRVINE: I may be wrong.

Mr. NEILL: Speaking from memory, we asked them in general terms what was the jurisdiction as between the provinces and the Dominion in connection with support for destitute old age. Here is the answer:

> The subject of old age pensions does not fall specifically within any of the enumerated subjects given to the Dominion under section 91 of the British North America Act, but does fall within the subject of property and civil rights committed to the provinces under section 92.

And then the Deputy Minister of Justice added this:

> I am of the opinion that the subject matter of pensions has been entrusted to the provincial legislature rather than to parliament. I do not mean to suggest that parliament has not the power to legislate upon the subject so as to assist—

Mark that.

> —so as to assist the provinces or to establish an independent voluntary scheme, provided that in either case the legislation does not trench up on the subject matter of property and civil rights in the province, as, for example, by obligating any province or person to contribute to the scheme.

Mr. BROWN: That is, it fixed the obligation on the provinces?

Mr. NEILL: Yes.

Mr. GEARY: Does the hon. gentleman state that as his authority for saying that a bill passed by this House, assuming full responsibility, is ultra vires of this House?

Mr. NEILL: It could be questioned. If the action were voluntary it might possibly be so. But the point that was submitted was "Were these provinces right in saying that the sole responsibility rests on us?" The answer was, "The sole responsibility does not rest on you, but on the provinces." That was the point.

Mr. GEARY: The hon. gentleman does see from that opinion that the federal government might assume the responsibility, and the opinion of the Minister of Justice, expressed in a reply to a question of mine last year during the course of the debate, was in agreement with that.

Mr. NEILL: The hon. member who has just taken his seat made some reference to the unanimous way in which this legislation was received on that side of the House last year. Well, that is a matter of degree, I suppose. The Right Hon. Arthur Meighen wanted to know what the cost of it would be, and those of us who were there remember that he used this language: "I do not expect a close estimate at all, but say within a hundred million dollars or so." Then we find Sir Henry Drayton saying:

> I am not at all certain that it is a good thing for this parliament to try and look after other business than its own. This is entirely a provincial matter.

Then we find the hon. member who represents West Calgary saying:

> I do venture to plead with my hon. friends opposite to urge the government not to proceed with this at the present time.

Faint praise, surely. Then we find the hon. member for Muskoka asking:

> Are we prepared at present to put everyone on the payroll of the country? It seems to me that we are getting into the habit in this parliament of going, I was going to say mad, in the way of such legislation.

That could hardly be called friendly comment and criticism. Then we find—I am speaking now from memory, but I know I can prove it if necessary—one gentleman referring to it as "impossible" legislation. Another one waxed more enthusiastic and said it was "a washout." Another member rose to the highest flights of his oratorical vocabulary and called it an "abortion." Poor comment, in the light of the opinion of this gentleman who now claims that this legislation last year passed the House unanimously.

I recall that the bill was very much talked about in the last election, nowhere more so than in British Columbia. I recall a speech that the Right Hon. Arthur Meighen made in opening the campaign, I think, in this city It was a great speech, worthy of a great man and a great occasion. I read it with much care, but I could find nothing in it on that subject which afterwards became so important in the campaign, that of old age pensions. You would have thought that a matter that was so much in the public mind, or at least was going to be, would have been foreshadowed in some way in this platform in which he was enunciating the program of his party in his appeal to the country. As a matter of fact I think I know when, and where, and how the hon. gentleman, like Paul at Damascus, got light on the subject. The right hon. gentleman came west. I am not familiar with the speeches he made along the line in his journey from the east to the west—hon. members from Saskatchewan and Alberta will be more familiar with that subject than I am; but I do know that I cannot recall any mention of old age pensions in his speeches, as a platform, until he reached British Columbia. I do not think there was any mention made of it even in Prince Rupert, the first place in the province where he spoke. He did me the honour to speak in the district of Comox-Alberni, and I have it on the authority of one of his own supporters, who told us of it at a public meeting, that he had said to Mr. Meighen, "Something has got to be done about old age pensions; people have asked about it and we know very little about it." Mr. Meighen said, "You shall have it." That is where the right hon. gentleman got his light and introduced the subject into his program. I have here, shown in big headlines, the announcement made by the Conservative organs the day after he made his next great speech in the city of Vancouver. The announcement in those headlines was, "Mr. Meighen declares himself at Vancouver meeting." Yes, he declared himself for the first time on that subject. Mr. Meighen dealt with old age pensions, the Australian treaty and co-operative marketing, but he put his contemplated promise of action on the subject of old age pensions first. Under the circumstances I think I am justified in saying that it was only when Mr. Meighen got into British Columbia and found out how urgent the situation was, how worked up public sentiment was, and how insistent the people of the province were,

that he gave any explanation of his half-hearted support of, or to speak more truly, his attacks upon, old age pensions in the House. It was then he suddenly discovered that he was in favour of this legislation.

I will not at this stage of the resolution go into some of the comments that were made on this question during the last campaign and the attacks upon those of us who supported that legislation. Some of it was entirely comical in its attitude, and some of it was almost sad in the ignorance it displayed of those who were putting it forward, but I will deal with that perhaps on another occasion. I only hope this will not follow what happened last year. The country has certainly shown, as the hon. member for Wetaskiwin (Mr. Irvine) said, that no subject appeared to go so closely home to the hearts and minds and interests of the people during the last election campaign as this question of old age pensions, and it had more weight at the close than it had at the beginning of the campaign. I hope that the other honourable body of this parliament will realize when this bill comes up to them that they are not facing a party measure sent up by this House, whether as a party or by the whole House, but that they are facing the almost unanimous wish of the people of Canada.

Mr. ADSHEAD: Mr. Chairman, it is only fitting that as the Labour member representing East Calgary I should put my views on record regarding this measure. I fully agree with the hon. member for Macleod (Mr. Coote). I would prefer a purely federal measure, and there are many amendments I would like to see made when the bill comes down. I would prefer the age limit to be sixty-five instead of seventy years. But I regard this as a stepping stone to better things. We have in the measure before us a fifty-fifty proposition. I had hoped that the government would make it a sixty-forty proposition, and perhaps if this measure should prove a success they will yet make it a sixty-forty proposition, and perhaps by-and-by a seventy-five-twenty-five proposition, and ultimately perhaps a purely federal measure.

There is one thing quite sure, that this measure was discussed on nearly all the platforms in the last campaign, and there was no measure presented to the people in my constituency at all events which contributed more to the success of myself and the Liberal candidates generally than this one, and it was entirely on a fifty-fifty basis. As to the characterization of this measure by my hon. friends who opposed me in that election, I remember particularly the Right Hon. Arthur Meighen himself when he visited the Pavilion at Calgary describing the proposed legislation in these words: "It is a sham; it is a sham; it is a sham." These words echoed and re-echoed throughout my constituency in connection with this fifty-fifty proposition, but I am glad to see my friends to my right perfectly willing now to support a measure which erstwhile they called "a sham, a sham, a sham." Not only did they call it that, but they advocated a measure that would be entirely contributory, and which if it had passed would have entirely left out those who could not contribute, whereas this measure is put forward, I believe, for the benefit of those who are unable to contribute in their old age.

If the provinces should not fall in line with this measure, the only thing that can be said is that they are not obeying the dictates of the people: they are not considering what was in the hearts and in the minds of the people in the election campaign of last September, and in that campaign the old age pension scheme contributed more largely to the success of the Liberal candidates than any other measure put before the people.

There is another matter which I think deserves attention. It has been stated here tonight that this measure would be imposing something on the provinces against their will. The other side of the question is more correct: It will be relieving the provinces of fifty per cent of their obligations in maintaining their poor. I have been associated with the relief department of the city of Calgary, and the gentleman who is now the manager of that department told me that he was looking forward to the time when even this fifty-fifty measure would become law, for he said that the number of old people in that city who required assistance and had to be kept by the city was growing every year, and that if this measure should pass it would relieve the city of many thousands of dollars it would otherwise have to pay out in relieving these old people.

I do not think I need say anything more at this stage. While I would have preferred a purely federal measure, and while I submit for the consideration of the Minister of Labour that he put this measure on a sixty-forty basis instead of a fifty-fifty, and while I hope that he will make the minimum age 65 instead of 70 years, if he cannot see his way to making these changes I shall have to support the measure as it is.

Mr. STEWART (Leeds): At this stage I shall occupy the time of the committee very briefly indeed, because my leader has fairly and fully set before the House his attitude, which corresponds I think with the attitude of hon. members who sit behind him. I know that he has expressed very fully and very clearly my views upon this question.

This is a very important measure, and it is much in the minds and seriously occupying the attention of the people of Canada at this time. Unfortunately the matter was one of considerable controversy in the last election, and I can only say that the attitude of those who sit on this side of the House was much misrepresented indeed in the last campaign. Speaking for myself, I was pictured first as one who had voted against this measure, although there was no vote upon it; it carried without a vote. Then when that was pointed out to be incorrect, it was asserted that I opposed the measure, but Hansard will be searched in vain for one sentence uttered by me in opposition to this measure. I am in favour now, as I was in favour then, of old age pensions, but I believe that whatever is worth doing is worth doing well, and I suggest that this measure is not doing justice to the question. If we are to have a wholehearted scheme of old age pensions, then this parliament should deal with it exclusively and should not make its grant conditional upon a grant by the provinces. I am afraid that a great many of the old people who are expecting old age pensions will be keenly disappointed, because, unless the provinces adopt the scheme there will be no pension for them. As one speaker has said, it will be a case of Old Mother Hubbard going to the cupboard, and when she gets there finding it bare. That is about all I have to say at this stage of the debate. When the bill is in committee I may have some further observations to make.

In conclusion, I want to say that there is an element of unfairness and injustice in this bill, because a province that does not adopt a system of old age pensions will be called upon indirectly to pay its proportion of the cost of old age pensions in every other province that does adopt the system. That is a serious matter to Ontario, to Quebec, and to all the other provinces, but notwithstanding that injustice, notwithstanding that defect, and because it is, if nothing else, at least a gesture in the direction of old age pensions, I am going to support this measure. I would much more heartily support a measure that would ensure at once bring about for the deserving old people of Canada an immediate pension. I fear this only puts it off, but if we oppose it we shall be charged with placing obstacles in the way of this measure. For that reason, while not satisfied with it as a wholehearted, substantial measure, I am going to give it my support.

Mr. GUTHRIE: Might I suggest to my right hon. friend that it might be a good thing if the committee were to rise now and we take up another order of business? There are still many on this side who desire to speak on this question.

Mr. MACKENZIE KING: If there is a desire to have this discussion prolonged, I agree that the suggestion made by my hon. friend is much to the point. I was hoping that we might pass the resolution to-night. If it is the wish of hon. gentlemen opposite to continue there will be an opportunity on the bill for any who may wish to speak. We might perhaps agree on passing the resolution, and then have a further discussion on the bill.

Mr. GUTHRIE: I have an idea that if we have the discussion on the resolution, the bill will pass much more speedily than if we allow the discussion to go over on the bill. I know there are still several on this side who desire to speak on the question, and as I understand there is other business to be done to-night, it might be well to let the committee rise now.

Mr. MACKENZIE KING: There is another matter which I desire to bring to the attention of the House before the sitting is over, and I shall be pleased to accede to the request of my hon. friend and have the committee rise, report progress and ask leave to sit again.

Progress reported.

DIAMOND JUBILEE OF CONFEDERATION

PROPOSED NATIONAL COMMITTEE

Right Hon. W. L. MACKENZIE KING (Prime Minister): On the Votes and Proceedings of to-day, hon. members will see a notice that I have given of a resolution which reads:

> That from and out of the consolidated revenue fund there may be paid and applied a sum not exceeding $250,000 towards defraying any expenses that may be incurred for the celebration of the sixtieth anniversary of confederation.

I understand that the Senate in all probability will conclude its sittings this week, and will then adjourn for some little time. It is

desirable, that as rapid progress as possible should be made with the formation of the committee to have charge of the celebration of the diamond jubilee of confederation, and if the House will grant its unanimous consent, I should like to have permission to introduce this resolution to-night and if possible to introduce as well the bill which in this connection, the government proposes to introduce. I might say that I have before me an important precedent for this procedure. When the House was asked to give its approval to the treaty of Peace between the allied and associated powers and Germany, Sir Robert Borden, then Prime Minister, on the afternoon of the 4th September, 1919, asked the House to agree to a resolution, notice of which had just been given in the Votes and Proceedings. I would like to ask the House now to allow me to have this resolution placed on the order paper for consideration as for this date, and if it is passed I will introduce the bill based upon it. I beg to move:

That it be resolved that the proposed resolution as it appears as a notice of motion in the Votes and Proceedings of the 14th instant, as follows:

"Resolved, that from and out of the consolidated revenue fund there may be paid and applied a sum not exceeding $250,000 towards defraying any expenses that may be incurred for the celebration of the sixtieth anniversary of confederation"

be placed on the order paper for consideration this day.

Motion agreed to.

Mr. MACKENZIE KING moved that the House go into committee to consider the following proposed resolution:

That from and out of the consolidated revenue fund there may be paid and applied a sum not exceeding $250,000 towards defraying any expenses that may be incurred for the celebration of the sixtieth anniversary of confederation.

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

Mr. WOODSWORTH: I think we ought to have some explanation as to how it is proposed to expend this large amount, how the committee in charge is to be formed, and matters of that kind.

Mr. MACKENZIE KING: I shall be very happy to give my hon. friend the information as soon as His Honour the Speaker leaves the chair.

Motion agreed to and the House went into committee, Mr. Johnston in the chair.

Mr. MACKENZIE KING: It has been thought by the government that the management of the celebration would be better effected if the whole matter, rather than being dealt with departmentally, were put into the hands of a national committee, this national committee to form an executive committee; the executive committee to be given the powers that will be set forth in the bill which will be introduced. I might say that the government is following in this regard the example that was set by a previous administration with respect to the administration of the Canadian patriotic fund. When the committee for the administration of the Canadian patriotic fund was formed, a number of gentlemen were named, because of their representative positions, as members of a provisional committee. The provisional committee was fairly large. It held one meeting at which it selected certain of its numbers and others who were not of its membership as members of an executive committee. This committee held meetings at regular intervals during the time that the fund was in existence.

It is proposed in the bill that will be introduced to incorporate a body to be known as the national committee for the celebration of the diamond jubilee of confederation. The personnel will consist of Their Excellencies the Governor General and the Viscountess Willingdon, the lieutenant governors of the several provinces, the premiers of the several provinces, the Speakers of the House of Commons and the Senate, a few members of His Majesty's Privy Council for Canada, a few senators, the Chief Justice of Canada, the deputy heads of certain of the departments of the public service, the presidents of the two large railway systems, the heads of a few representative organizations of Canada, among the number being the President of the Canadian Legion of the British Empire Service League, the President of the Canadian Battlefields Memorial Association, the President of the National Council of Women of Canada, the President of the Imperial Order of Daughters of the Empire, the President of the Daughters of Canada, the one lady member of this House of Commons, the chairman of the Ottawa Improvement Commission, the chairman of the Executive Committee of the Association of Canadian Clubs. I think I have summarized those whose names are mentioned as being among those of the committee to be incorporated and regarded as the provisional committee. The names have been chosen regardless of party affiliation and with the view as far as

possible of making the committee representative of the whole of the Dominion. Naturally there are many organizations that might appropriately find a place in its membership, but if a beginning is made in one direction it will have to be followed in others and this will involve the addition of a very large number of names. I should like the House to understand that this is a provisional committee, and that it will have power to add any names that in its wisdom it may deem desirable.

The bill gives the committee power to receive moneys the parliament may appropriate or any moneys that may be contributed for the purpose, and allows it to determine how the money is to be spent. In other words, the government is not desirous of dictating the particular programme which shall be adopted by the Dominion with respect to a great national celebration of this kind. We think it will meet with more general satisfaction on the part of the public if a representative body such as this is given power to make all the arrangements that may be necessary.

I may say to my hon. friend that communications have come from a very large number of sources containing all kinds of suggestions, from pageants to the publication of histories, and other schemes too numerous to mention. The government proposes to turn over to this committee all the suggestions that it may receive and to place upon the committee the responsibility of deciding what shall be done.

May I say to hon. members, so that they will have reason to know there is no effort to prevent the fullest discussion as to how this money shall be spent, that the House will be given an opportunity to discuss the matter when the estimates are under consideration, because this item of $250,000 will have to be voted in supply. The committee will have to have its accounts audited and will have to make to parliament a full statement of how it has conducted its affairs.

Mr. IRVINE: Will this vote constitute a limit for the committee, or will there be any limitation at all?

Mr. MACKENZIE KING: It depends entirely upon what the committee recommends. The committee may come to parliament with a request for an additional vote, but so far as public funds are concerned, I would say, that the committee will be restricted to the amounts given to it by parliament. Parliament will have to consent to any addition to the appropriation.

[Mr. Mackenzie King.]

Mr. JACOBS: Are the provinces to be invited to contribute to this fund?

Mr. MACKENZIE KING: One of the purposes of having this committee formed is that it may immediately get in touch with the provinces and if possible work out some form of joint celebration. A number of municipalities will no doubt also wish to have their own celebrations. This committee will seek to coordinate efforts from one end of the Dominion to the other, as they relate to provinces or to municipalities, with whatever the federal government may attempt.

Mr. WOODSWORTH: Mr. Chairman, may I point out that in the outline the Prime Minister has given us, although he says that the appointment of this committee will be entirely irrespective of party, its personnel is very largely political in character? The organizations mentioned are of a particular type, they are not in any sense representative of all the different classes of the people of Canada. As I think of the people who have made confederation worth while, I think of the large farming population in every one of these provinces, yet so far as the Prime Minister has intimated there is no farmer appointed on any of these committees. We have large farm organizations in each of the three prairie provinces which I know best—very large and very representative farm organizations, both men's and women's—and yet apparently these have been entirely overlooked. I think of the particular group which I have been representing in this House, the labour group in each of the provinces. I suppose there are over 150 distinct labour organizations in Canada representing the rank and file of the people who are contributing very largely to the upbuilding of this country. Apparently they are entirely overlooked in the outline which has been given us by the Prime Minister. If a celebration of this kind is to be made of any very great educational value, I should think that those who would be in the very forefront would be the representatives of our educational system, members of the universities, and especially school teachers. We have school teachers' organizations in almost every province of the Dominion to-day. These school teachers are in touch with a very large proportion of our population, that is, the younger part that is attending school, the most impressionable part, and they ought to be most interested in a celebration of this kind. These teachers are apparently overlooked in the selection that has been made of the people who are to determine what character

will be given to this event. I submit, Mr. Chairman, that these matters require a little further consideration than would appear to have been given them from the outline that has been so far presented to us.

Mr. MACKENZIE KING: Mr. Chairman, may I say to my hon. friend that I think he would be nearer the mark if he were to recognize that persons holding representative positions, such as the lieutenant governors of the several provinces hold, such as the premiers hold, such as the hon. Speaker of this House holds, represent in a broad way, all classes. They are not chosen from any one particular class, they are chosen because they happen to fill representative positions that are broad enough to include all groups. My hon. friend says that no recognition has been given to the agricultural class. As I understand it, the Premier of Manitoba is a graduate of an agricultural college and a well-known agriculturist, and I am sure that so far as agriculture might need special representation he is splendidly fitted to give it. The Premier of Alberta, although a lawyer, is the head of a government which is recognized as a farmers government.

Mr. STEVENS: John Oliver.

Mr. MACKENZIE KING: Yes, and the Premier of Saskatchewan. I did draw particular attention to the fact that the government had placed among these names, the name of the hon. member for Southeast Grey. I think if anyone in this House has given attention to agricultural problems the hon. member for Southeast Grey is entitled to special recognition in that regard. As I have already said, the committee is a provisional committee. Undoubtedly when it comes to determining the executive there will be included many persons whose names would come within special groups. As a matter of fact, in considering the subject, a number of names were suggested, for example, the name of Mr. Tom Moore, president of the Trades and Labour Council, was proposed. It was pointed out that if Mr. Moore was to be on the committee then representation ought to be given also to the manufacturers' association, and if the manufacturers' association then the chambers of commerce; then some other organizations would be entitled to representation. And so it would run on; any number of organizations might be included. If it were the intention to embrace every organization that may wish to take part in this celebration, I am afraid we would have a committee incapable of functioning.

This much said, may I add that I think my hon. friend has been quite right in directing the attention of the committee to the importance of seeing that all classes are represented, and I shall be very much astonished if, when this provisional committee meets, any class that desires to have special recognition in connection with the program is not given every opportunity of having its voice heard and its interests considered.

Mr. BRADY: With respect to the committee that has been mentioned by the Prime Minister (Mr. Mackenzie King), I still feel that an omission of great importance is noticed. I do feel that the diamond jubilee of confederation is of such far-reaching importance that the educational aspect of it should be given great prominence. It will be a wonderful time among the youth of Canada and I consider that the chancellor or the president or the representative direct of the educational system of Canada should receive recognition. I know myself what it will mean if we enable the youth of Canada to come to a realization of the past history of the Dominion, and to form some idea of its unity in the future. I therefore respectfully request that the university system of Canada, as represented either by a chancellor or by a president, receive special mention in that particular committee which has been referred to this evening.

Mr. MACKENZIE KING: If my hon. friend will run through the list of names he will find that a large percentage are those of university graduates, and he may, I think, rest absolutely assured that in the hands of that provisional committee, the educational interests of the country will be well taken care of when the executive committee comes to be formed.

Resolution reported, read the second time and concurred in. Mr. Mackenzie King thereupon moved for leave to introduce Bill No. 65, to incorporate a national committee for the celebration of the diamond jubilee of Confederation.

Motion agreed to and bill read the first time.

SELECT STANDING COMMITTEES

Hon. J. H. KING (Minister of Health and Soldiers' Civil Re-establishment) presented the report of the special committee appointed to prepare and report lists of members to compose the select standing committees of the House as follows:

No. 1

ON PRIVILEGES AND ELECTIONS

Messieurs

Beaubien,
Bell (Hamilton West),
Bell (St. Antoine),
Bennett,
Blatchford,
Cahan,
Cannon,
Casgrain,
Clark,
Denis (Joliette),
Edwards (Frontenac-Addington),
Elliott,
Goodison,
Hanson,
Heaps,
Jacobs,
Kennedy,
Kellner,
King (Kootenay East),
Lapointe,
MacDonald (Cape Breton South),
McPhee,
McQuarrie,
Marcil,
Mercier (St. Henri),
Ralston,
Rhéaume,
Ryckman,
Stewart (Leeds)—29.

No. 2

ON RAILWAYS, CANALS AND TELEGRAPH LINES

Messieurs

Anderson (Halton),
Anderson (Toronto-High Park),
Arthurs,
Auger,
Bell (St. Antoine),
Bell (St. John-Albert),
Bennett,
Bettez,
Blatchford,
Bothwell,
Bourgeois,
Bowen,
Boys,
Bradette,
Brown,
Cahan,
Cahill,
Campbell,
Cantley,
Casgrain,
Casselman,
Charters,
Church,
Cotnam,
Cowan,
Delisle,
Denis (Joliette),
Denis (St. Denis),
Dionne,
Donnelly,
Drayton (Sir Henry),
Dubuc,
Duff,
Dunning,
Dussault,
Embury,
Esling,
Evans,
Fafard,
Fansher (Lambton East),
Fansher (Last Mountain),
Fraser,
Gardiner,
Geary,
Gershaw,
Girouard,
Glen,
Goodison,
Gott,
Goulet,
Guerin,
Hanson,
Harris,
Heaps,
Hepburn,
Hocken,
Howard,
Howden,
Jelliff,
Jones,
Kay,
Kellner,
Kennedy,
Lacombe,
Lacroix,
Laflamme,
Lanctôt,
Lapierre,
Lavigueur,
Letellier,
Lovie,
Lucas,
Luchkovich,
MacDonald (Cape Breton South),
Macdonald (Kings),
MacLaren,
MacLean (Prince),
McIntosh,
McKenzie,
McLean (Melfort),
McPhee,
McQuarrie,
McRae,
Maloney,
Manion,
Marcil,
Mathews,
Maybee,
Mercier (Laurier-Outremont),
Mercier (St. Henri),
Millar,
Milne,
Morin (Bagot),
Neill,
Parent,
Perley (Sir George),
Petit,
Pouliot,
Price,
Rennie,
Robitaille,
Ross (Moose Jaw),
Rowe,
Ryerson,
St. Père,
Sanderson,
Séguin,
Simpson,
Smith (Cumberland),
Smith (Stormont),
Speakman,
Spence (Maple Creek),
Spencer,
Stevens,
Stewart (Leeds),
Stirling,
Sylvestre,
Taylor,
Thorson,
Tobin,
Totzke,
Tummon,
Vallance,
Verville,
Ward,
White (Mount Royal),
Wilson (Wentworth),
Young (Saskatoon),
Young (Weyburn)—129.

And that the quorum of the said committee do consist of twenty-five members.

No. 3

ON MISCELLANEOUS PRIVATE BILLS

Messieurs

Adshead,
Anderson (Halton),
Baldwin,
Barber,
Bell (Hamilton West),
Blanchard,
Boucher,
Bowen,
Boys,
Brown,
Casselman,
Chaplin,
Clark,
Delisle,
Denis (St. Denis),
Descoteaux,
Deslauriers,
Embury,
Fansher (Lambton East),
Fontaine,
Fraser,
Garland (Bow River),
Glen,
Hall,
Hanson,
Ilsley,
Jacobs,
Johnstone (Cape Breton North-Victoria),
Kaiser,
Kay,
Lacombe,
Lacroix,
Langlois,
Lennox,
Letellier,
Lucas,
Luchkovich,
MacDonald (Cape Breton South),
MacDonald (Glengarry),
MacLaren,
McMillan,
McPherson,
Mercier (Laurier-Outremont),
Morin (St. Hyacinthe-Rouville),
Morrissy,
Parent,
Peck,
Pettit,
Power,
Rhéaume,
Robitaille,
Rutherford,
Sanderson,
Séguin,
Senn,
Short,
Spence (Parkdale),
Spencer,
Stinson,
Telford,
Thompson,
Verville,
Wilson (Wentworth),
Woodsworth,
Young (Saskatoon)—65.

An that the quorum of the said committee do consist of ten members.

No. 4

ON STANDING ORDERS

Messieurs

Anderson (Toronto-High Park),
Bell (Hamilton West),
Blanchard,
Blatchford,
Bourgeois,
Brady,
Campbell,

Désaulniers,
Deslauriers,
Donnelly,
Ernst,
Euler,
Evans,
Gershaw,
Gervais,
Grimmer,
Harris,
Ilsley,
Lacroix,
Ladner,
Lavigueur,
Lucas,
MacDonald (Glengarry),
MacNutt,
McGregor,
McKenzie,
Mercier (St. Henri),
Morin (St. Hyacinthe-Rouville),
Perley (Sir George),
Roberge,
Ryckman,
Speakman,
Young (Toronto North-east)—33.

And that the quorum of the said committee do consist of seven members.

No. 5

ON PRINTING

(Members to act on the part of the Commons)

Messieurs

Baldwin,
Boivin,
Charters,
Edwards (Waterloo South),
Embury,
Esling,
Evans,
Hocken,
Hubbs,
Lapierre,
McIntosh,
Marcil,
Morrissy,
Prévost,
Quinn,
Raymond,
Rennie,
Rinfret,
St. Père,
Speakman,
Steedsman,
Verville,
White (Mount Royal)—23.

No. 6

ON PUBLIC ACCOUNTS

Messieurs

Adshead,
Arthurs,
Bell (St. Antoine),
Bennett,
Bettez,
Bird,
Black (Yukon),
Boys,
Brown,
Cahan,
Cannon,
Carmichael,
Casgrain,
Casselman,
Clark,
Coote,
Denis (Joliette),
Deslauriers,
Drayton (Sir Henry),
Dubuc,
Duff,
Edwards (Frontenac-Addington),
Fiset (Sir Eugene),
Girouard,
Goulet,
Guerin,
Hanson,
Ilsley,
Jacobs,
Jelliff,
Jones,
Kennedy,
Laflamme,
Lapierre,
Lennox,
Lovie,
Macphail (Miss),
McDiarmid,
McPhee,
Manion,
Odette,
Parent,
Perras,
Pouliot,
Preston,
Raymond,
Rhéaume,
Ross (Kingston City),
Rutherford,
Ryckman,
Smith (Cumberland),
Smith (Stormont),
Spence (Maple Creek),
Stewart (Leeds),
Stinson,
Taylor,
Telford,
Thorson,
Tobin,
Tolmie,
Tummon,
Young (Saskatoon).—62.

And that the quorum of the said committee do consist of twenty-one members.

No. 7

ON BANKING AND COMMERCE

Messieurs

Allan,
Auger,
Bell (St. Antoine),
Bennett,
Benoit,
Bettez,
Bird,
Black (Halifax),
Black (Yukon),
Bothwell,
Boulanger,
Cahan,
Cahill,
Cantley,
Carmichael,
Casgrain,
Chaplin,
Clark,
Coote,
Cowan,
Denis (Joliette),
Desaulniers,
Donnelly,
Drayton (Sir Henry),
Dubuc,
Edwards (Waterloo South),
Ernst,
Fafard,
Gardiner,
Garland (Carleton),
Geary,
Goodison,
Guerin,
Hanson,
Harris,
Hay,
Hepburn,
Howard,
Ilsley,
Irvine,
Jacobs,
Jones,
Kaiser,
Ladner,
Lang,
Lapierre,
Macphail (Miss),
McGibbon,
McIntosh,
McLean (Melfort),
McMillan,
McPhee,
McQuarrie,
McRae,
Maloney,
Mathews,
Morin (Bagot),
Morrissy,
Odette,
Pettit,
Raymond,
Rhéaume,
Robb,
Robinson,
Robitaille,
Ross (Moose Jaw),
Rutherford,
Ryckman,
Ryerson,
St. Père,
Sanderson,
Senn,
Short,
Sinclair (Wellington North),
Smith (Stormont),
Smoke,
Speakman,
Spence (Maple Creek),
Spencer,
Steedsman,
Stevens,
Telford,
Tobin,
Totzke,
Vallance,
Ward,
Wilson (Vaudreuil-Soulanges),
Woodsworth,
Young (Saskatoon),
Young (Weyburn).—90.

And that the quorum of the said committee do consist of twenty-one members.

No. 8

ON AGRICULTURE AND COLONIZATION

Messieurs

Allan,
Anderson (Halton),
Arthurs,
Barber,
Benoit,
Bissett,
Boivin,
Bothwell,
Bouchard,
Boucher,
Boulanger,
Bowen,
Bowman,
Brady,
Brown,
Campbell,
Cayley,
Charters,
Coote,
Cotnam,
Delisle,
Denis (St. Denis),
Desaulniers,
Descoteaux,
Dionne,
Donnelly,
Dubuc,
Edwards (Frontenac-Addington),
Embury,
Evans,
Fafard,
Fansher (Lambton East),
Fansher (Last Mountain),
Fontaine,
Fraser,
Gardiner,
Garland (Bow River),
Garland (Carleton),
Gervais,
Glen,
Gott,
Hall,
Hay,
Hepburn,
Hodgins,
Hubbs,
Kaiser,
Kay,
Kellner,
Lacroix,
Ladner,
Lanctôt,
Langlois,
Letellier,
Lovie,
Luchkovich,
Macphail (Miss),
Macdonald (Kings),
MacNutt,
McGibbon,
McGregor,
McLean (Melfort),
McMillan,
McPhee,
McRae,
Maloney,
Maybee,
Millar,
Milne,
Morin (Bagot),
Motherwell,
Neill,
Peck,
Perley (Sir George),
Preston,
Price,
Roberge,
Ross (Moose Jaw),
Rowe,
Rutherford,
Séguin,
Senn,
Short,
Sinclair (Wellington North),
Smith (Stormont),
Smoke,
Spence (Maple Creek),
Spence (Parkdale),
Spencer,
Steedsman,
Stewart (Leeds),
Stirling,
Sylvestre,
Taylor,
Telford,
Thompson,
Thorson,
Tobin,
Tolmie,
Totzke,
Tummon,
Vallance,
White (London),
Young (Saskatoon),
Young (Weyburn).—105.

And that the quorum of the said committee do consist of twelve members.

[Mr. J. H. King.]

No. 9

ON MARINE AND FISHERIES

Messieurs

Bancroft,
Beaubien,
Bissett,
Blanchard,
Bouchard,
Bourgeois,
Brady,
Cantley,
Cardin,
Dickie,
Dionne,
Duff,
Dussault,
Ernst,
Fansher (Last Mountain),
Grimmer,
Jenkins,
Kennedy,
Luchkovich,
MacDonald (Cape Breton South),
Macdonald (Kings),
Macdonald (Richmond-West Cape Breton),
MacLaren,
MacLean (Prince),
McPherson,
McQuarrie,
Marcil,
Morrissy,
Neill,
Pouliot,
Price,
Quinn,
Short,
Sinclair (Queens),
Smith (Stormont),
Stevens,
Ward.—37.

And that the quorum of the said committee do consist of ten members.

No. 10

ON MINES, FORESTS AND WATERS

Messieurs

Anderson (Toronto-High-Park),
Baldwin,
Barber,
Beaubien,
Bell (St. John-Albert),
Bird,
Black (Yukon),
Blatchford,
Boucher,
Bradette,
Cahill,
Cantley,
Dickie,
Duff,
Esling,
Fiset (Sir Eugene),
Garland (Bow River),
Gershaw,
Howden,
Ilsley,
Irvine,
Jelliff,
Johnstone (Cape Breton North-Victoria),
Lanctôt,
Lang,
Lapierre,
Letellier,
Macdonald (Richmond-West Cape Breton),
Macdougall,
McLean (Melfort),
Millar,
Robinson,
Sanderson,
Simpson,
Smith (Cumberland),
Stewart (Edmonton West).—36.

And that the quorum of the said committee do consist of ten members.

No. 11

ON INDUSTRIAL AND INTERNATIONAL RELATIONS

Messieurs

Bancroft,
Bell (St. John-Albert),
Bissett,
Black (Halifax),

Bourassa,
Chevrier,
Church,
Cowan,
Geary,
Gervais,
Grimmer,
Hall,
Heaps,
Heenan,
Howard,
Irvine,
Johnstone
(Cape Breton North-Victoria),
Laflamme,
Macphail (Miss),
McGibbon,
McIntosh,
McMillan,
Malcolm,
Morin
(St. Hyacinthe-Rouville),
Morrissy,
Neill,
Prévost,
Ross
(Kingston City),
Thorson,
Tolmie,
White
(London),
White
(Mount Royal),
Wilson
(Vaudreuil-Soulanges),
Woodsworth,
Young
(Toronto Northeast).—35.

An that the quorum of the said committee do consist of ten members.

No. 12

OFFICIAL REPORT OF DEBATES

Messieurs

Bouchard,
Church,
Coote,
Elliott,
Fraser,
Hocken,
Macdougall,
McIntosh,
Millar,
Preston,
Prévost,
Rinfret,
Young
(Saskatoon).—13.

And that the quorum of the said committee do consist of five members.

No. 13

ON THE LIBRARY

(Members to act on the part of the Commons)
Mr. Speaker and Messieurs

Bird,
Bourassa,
Carmichael,
Chevrier,
Cotnam,
Edwards
(Ottawa),
Forke,
Garland
(Carleton),
Geary,
Guthrie,
King
(Kootenay East),
McIntosh,
Marcil,
Neill,
Pouliot,
Prévost,
Quinn,
Rinfret,
Stirling,
Thompson,
Young
(Toronto Northeast).—21

Mr. KING (Kootenay) moved that the report be concurred in.

Motion agreed to.

Mr. KING (Kootenay) moved:

That the lists of members composing the select standing committees of the House under rule 10 be printed in Hansard.

Motion agreed to.

32649—23½

POWERS OF COMMITTEES

Mr. MACKENZIE KING moved:

That the select standing committees of this House shall severally be empowered to examine and inquire into all such matters and things as may be referred to them by the House, and to report from time to time their observations and opinions thereon, with power to send for persons, papers and records.

Motion agreed to.

On motion of Mr. Mackenzie King the House adjourned at 11.40 p.m.

Wednesday, February 16, 1927

The House met at three o'clock.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

SENATE REFORM

Mr. EVANS:

1. What is the form or wording of the pledge, if any, taken from those who have been appointed senators during the last two years with a view to Senate reform?

2. How many have been thus pledged?

Right Hon. Mr. MACKENZIE KING:

1. An assurance of support of such measure of Senate reform, in conformity with the requirements of the constitution, as may be introduced by the Liberal administration.

2. This assurance has been given by all who have accepted appointment to the Senate within the time mentioned.

BRITISH COLUMBIA FISHERIES COMMISSION

Mr. NEILL:

1. Was a royal commission appointed to investigate British Columbia fisheries in the year 1922?

2. Did it make a report containing some twenty-eight recommendations?

3. Was recommendation No. 11 recommending that the regulations be amended so as to prohibit the use of both drag and purse seines in Departure bay?

4. Was this recommendation carried out?

5. Was an order in council published recently allowing purse seines at Departure bay from January 26th to February 5th? If so, what was the date of such order in council and in what issue of the "Gazette," if any, did it appear?

6. On whose recommendation was this done?

7. Was any public notice given of the intention to make this change and was any attempt made to advise those who would be prejudicially affected, and was any opportunity given them or their representatives to be heard in the matter?

Hon. Mr. CARDIN:

1. Yes.
2. Yes.
3. Yes.
4. Yes.
5. Yes. Date of order in council is January 27th, 1927. It is appearing in this week's Gazette.
6. Minister of Marine and Fisheries.
7. As is usual in such cases, notice of intention to make the change was not given. The time involved would make the desired change useless. The Nanaimo board of trade which originally favoured closing the bay to seining wired that there was a serious shortage in the catch of fish, that gill-netters were not availing themselves of their opportunities, that the main body of fish was in the bay, and recommending strongly that seining be allowed in the bay for the few days of the balance of this season. Only three gill-netters operated there this season. The change was favoured by the provincial Department of Fisheries, as well as the federal chief inspector.

ENFORCEMENT OF VOLSTEAD ACT

Mr. POWER:

1. Have the attorneys representing the government of Canada in the Customs inquiry Commission received any instructions which would enable them to obtain information of considerable value to the government of United States of America in its enforcement of the Volstead Act?
2. If so, will His Majesty's Canadian government instruct the Hon. Vincent Massey, the Canadian Ambassador at Washington, to make such representations to the government of the United States of America through the proper diplomatic channels as will induce the said government of the United States of America to reimburse His Majesty's Canadian government a proportion of the funds expended by its attorneys in the above mentioned enquiry?

Right Hon. Mr. MACKENZIE KING:

1. No instructions to the end mentioned have been given to the attorneys representing the government of Canada in the customs inquiry.
2. Answered by answer to No. 1.

DUTY ON USED PIANOS ENTERING CANADA

Mr. MILLAR:

1. Is a duty being levied under the anti-dumping act on used pianos entering Canada?
2. If so, under what section of the act is such duty levied?

[Mr. Neill.]

3. Since there can be no uniform value of imported used pianos, how is the selling price in the country of origin determined?

Hon. Mr. EULER:

1. No.
2. Answered by No. 1.
3. Second-hand or used articles of all kinds are appraised on the basis of the replacement value when new with an allowance for depreciation in accordance with the actual condition of the imported article.

RELIEF OF HOME BANK DEPOSITORS

Hon. Mr. EDWARDS:

1. When did the Home Bank open for business and when did it close its doors?
2. What amount was on deposit or in current account when the bank failed?
3. What percentage of such amount did the creditors receive through the liquidator?
4. What further percentage was voted by parliament and what was the amount voted?
5. How much of the amount voted by parliament is still unpaid and why?
6. Did parliament vote money for the relief of Home Bank depositors in recognition of any legal or moral claim of such depositors on the government?

Hon. Mr. ROBB:

1. Opened January 2, 1906; suspended August 17, 1923.
2. Savings and current deposits, $15,030,678.
3. Dividend paid to date, 25 per cent.
4. The Home Bank Creditors' Relief Act provided for payments to certain creditors, not to exceed in any case 35 per cent of the amount of claim; $3,000,000 was appropriated.
5. $222,233.59; certain claims have not yet been dealt with by the commissioners.
6. The act stands on the statutes as a relief measure. It will be recalled that the House adopted a report of the banking and commerce committee to the effect that it considered the investigation established "a moral claim in equity for compensation."

PERSECUTION OF UKRAINIANS IN POLAND

Mr. MALONEY:

1. Have any representations been made to the Prime Minister on behalf of the Ukrainian population in Canada, that their relatives and fellow countrymen in Galicia and Volinia, now occupied by Poland, are imprisoned and persecuted by Polish authorities in their own country?
2. Has the Prime Minister taken any action in respect of any such representations?
3. If so, what action has been taken?
4. Is it the intention of the Prime Minister to take action in respect of this matter?

Right Hon. Mr. MACKENZIE KING:

1. A number of copies have been received of a printed resolution signed on behalf of groups of citizens and residents of Canada of

Ukrainian descent, protesting against what are represented to be acts of persecution and oppression of the Ukrainian population of Poland by the government of that country, and notably the condemnation to death of Mychailo Bilyj. The resolution asks the Canadian government to take up the matter with the Polish authorities. It also requests action by the government of the Union of Socialist Soviet Republics. On the other hand, representations have been received from other quarters to the effect that Mychailo Bilyj was sentenced by a regular criminal court with a regular jury, and that an appeal against his sentence is now pending before the court of appeals.

2-4. The Canadian government does not consider that adequate grounds exist for the intervention which it is proposed should be taken through diplomatic channels in the affairs of a European country, on behalf of one section of its inhabitants.

It may also be pointed out that Poland, in common with other states of eastern Europe, has undertaken by treaty to ensure equal treatment of all Polish nationals, whether or not members of minorities, and to regard these stipulations as obligations of international concern placed under the guarantee of the League of Nations. Procedure has been established by the treaty of Versailles of June 28, 1919, and by the council of the league, for consideration of complaint from such minority, alleging violation of these obligations, and submitted in due form.

QUESTIONS PASSED AS ORDERS FOR RETURNS

ARMOURY BUILDINGS IN CANADA

Mr. HAY:

1. In how many towns in Canada of 3,000 population and under is there an armoury building?
2. What is the name of each such town, its population, and the cost of such building?
3. What is the salary of the caretaker in each case, and the cost of the fuel for upkeep?
4. What is the total cost for the dominion?

COST OF PARLIAMENTARY COMMITTEE ON CUSTOMS

Mr. POWER:

1. What was the total cost of the parliamentary committee on customs which sat during the session of 1926?
2. How much was paid in witness fees?
3. How much was paid to accountants?
4. How much was paid in counsel fees; (a) to Mr. Calder; (b) to any other attorneys?

UNOPPOSED MOTIONS FOR PAPERS

APPOINTMENT OF POSTMASTER AT STOUFFVILLE, ONT.

Mr. CHURCH:

For a copy of all letters, telegrams, reports and all other correspondence or communications between the government of Canada or any member thereof or their deputies or the Civil Service Commission or the officials thereof or any other person or persons or political organizations relating to the appointment of a postmaster at Stouffville, Ontario.

OTTAWA RIVER—POWER AND NAVIGATION RIGHTS

Mr. CHURCH:

For a copy of all applications, letters, reports, orders in council, correspondence and all other communications between the government and any other person or persons as to the renewal of charters or agreements. or extension of the same, regarding the Ottawa, Montreal and Georgian Bay Canal Company for power and navigation rights on the Ottawa river.

MAJOR-GENERAL J. H. MACBRIEN

Mr. CHURCH:

For a copy of all correspondence, reports and other documents regarding the proposed retirement of Major-General J. H. MacBrien as chief of staff of the Militia department.

MR. G. T. HAMELIN

Mr. POWER:

For a copy of all reports on file in the Department of Marine and Fisheries with reference to the examination of eyesight and hearing of Mr. G. T. Hamelin, ex-pilot of the Quebec district, made by; (a) examiners appointed by the Department of Marine and Fisheries; (b) other medical practitioners. Also a return showing a description of the machine and method used by the examiners appointed by the department.

CALGARY LIVE STOCK EXCHANGE

Mr. KENNEDY:

For a copy of the regulations approved by the Minister of Agriculture or the Department of Agriculture of the Calgary live stock exchange the Edmonton live stock exchange, the Winnipeg live stock exchange, and the Moose Jaw live stock exchange.

UNITED LIVE STOCK GROWERS LIMITED

Mr. KENNEDY:

For a copy of all letters, telegrams, reports and all other correspondence or communications between the Minister of Agriculture and the Calgary live stock exchange, and the United Live Stock Growers Limited, relating to violations of the Live Stock Act and the regulations of the Calgary live stock exchange.

CHINESE SITUATION

Mr. CHURCH moved:

For a copy of all correspondence including letters, telegrams, reports, cables and all other documents between the government of Great Britain and Canada regarding the present trouble in China, showing what steps are or have been taken by the government to protect Canadians now in China and Canadian Trade and Commerce, and Canadian interest there.

Right Hon. W. L. MACKENZIE KING (Prime Minister): The communications of the British government on the situation in China are of a confidential nature, and certainly could not be brought down without the consent of the British government. I feel perfectly sure that the British government would not wish to have made public at this stage the correspondence, such as has passed between the home government and our own government on this matter, and I think I shall have to ask the hon. member not to press this motion, because the government would not be in a position to comply with it. I think the statement I gave the House the other day as to the position of the government in the matter ought to be sufficient for the purposes of the hon. member.

Mr. T. L. CHURCH (Toronto Northwest): I do not think the answer of the minister is fair to the House or the public. There are many Canadian subjects in China, many people from my own city, missionaries, and their families do not know where they are. Considering the large trade which Canada carries on with China, I think it is the duty of the Prime Minister to inform the House as to the steps the government is taking to protect the lives of the subjects and the property of Canadians in that country, and of trade and commerce. If a Canadian missionary, for instance, loses his life, surely this country is very much interested in conditions in China. The new status of Canada will save no lives in China.

Hon. HUGH GUTHRIE (Leader of the Opposition): Suppose the motion were amended and a clause inserted to the effect that documents which were not of an official character should be produced. Would that satisfy my right hon. friend?

Mr. MACKENZIE KING: Entirely. I have no objection to bringing down any correspondence not confidential, but this relates to correspondence between the British government and the Canadian government, and I am perfectly sure the government of Great Britain would not desire at the present time to have made public to the world the correspondence relating to the Chinese situation.

[Mr. Kennedy.]

Mr. SPEAKER: This motion is not debatable. It had better stand until it is amended.

Mr. MACKENZIE KING: No, drop it. It cannot be carried.

Mr. SPEAKER: Is it the pleasure of the House to adopt the motion?

Some hon. MEMBERS: No.

Mr. SPEAKER: I declare the motion lost.

Motion negatived.

IMPERIAL CONFERENCE, 1926

Mr. CHURCH moved:

For a return containing the agenda and all reports, letters, agreement, orders in council, telegrams and all other correspondence and communications including complete record of proceedings of the Imperial conference, 1926, and all correspondence between the government of Great Britain and Canada or other oversea Dominion in relation to the said conference.

Mr. MACKENZIE KING: Mr. Speaker, here again I must draw the attention of my hon. friend to the fact that there has already been laid on the table the published report of the conference proceedings. True, it is an abbreviated report, and I moved an order the other day to have printed several appendices which contain additional data on the proceedings. I have laid on the table already as much of the proceedings of the conference as the British government has seen well to lay on the table of the British House. I am quite prepared to give to parliament all the data which the British government is prepared to give to the British parliament; but there are parts of the conference proceedings which, as hon. gentlemen know, are confidential, they have never been published heretofore, and I think as to the proceedings of the last conference we must follow the rule which has been adopted respecting all the preceding conferences. As to any correspondence relating to the agenda or other features of the conference, the government will gladly bring down whatever communications are available that the British government may not wish to have regarded as confidential.

Mr. CHURCH: Mr. Speaker, the correspondence laid on the table of the British House is another matter. All the documents have not been brought down, for instance, a brief prepared by Canada House relating to economic questions concerning this country, and surely parliament is entitled to that information.

Mr. MACKENZIE KING: Mr. Speaker, I might make the position of the government clear by saying to my hon. friend that so far as we are concerned everything can be brought down, but wherever the correspondence has been between our government and another government, whether the British government or the government of any self-governing Dominion, the consent of the other government must be obtained before the correspondence is made public. With that understanding, I am prepared to put on the table everything the hon. member could think of suggesting.

Motion agreed to.

CANADIAN NATIONAL RAILWAYS

PROPOSED HOTEL IN TORONTO

Mr. CHURCH moved:

For a copy of all letters, correspondence, reports or agreements between the Canadian National Railways, Sir Henry Thornton, or the government, and any other person, or persons, regarding the erection of a new Canadian National railway hotel in Toronto, and the terms of such arrangement.

Hon. CHARLES A. DUNNING: Mr. Speaker, I do not intend to object to the passage of the motion calling for correspondence between the Canadian National Railways or the government and any other person or persons relating to the erection of a new Canadian National railway hotel in Toronto and the terms of such arrangement; but I deem it proper to point out to the House that it will embarrass the business of the Canadian National Railways if during any possible negotiations of any character hon. members move for the production of documents. The subject has been discussed at previous sessions, and I think it was generally agreed that it could not injure the business interests of the Canadian National Railways to call for information and documents with respect to any completed transaction, but that it would be unwise to force the management to expose through the medium of the House documents connected with any matter which may be in process of negotiation, as the resultant publicity might embarrass the Canadian National Railways. As I say, I shall not oppose the order now under discussion. I merely mention this general principle, that it is rather unfair to the management, which is conducting the Canadian National Railways along the ordinary lines of business, to ask for the production of papers and documents in connection with matters which are still under negotiation.

Mr. SPEAKER: Is it the pleasure of the House to adopt the motion?

Some hon. MEMBERS: No.

Mr. SPEAKER: The motion is lost.

Mr. MANION: I understood the minister to accept the motion.

Mr. MACKENZIE KING: The responsibility is on the House.

Mr. DUNNING: I have no personal objection to the motion. I merely point out the responsibility of the House in calling for documents in connection with any matter relating to the Canadian National railways which is still under negotiation. For my hon. friend's information I may say that I have no knowledge personally of any such negotiations.

An hon. MEMBER: Why not produce the papers?

Mr. SPEAKER: The motion is lost.

Mr. CHURCH: I rise to a point of order, Mr. Speaker, I appeal to the House. I was on my feet to answer the minister and I was not given an opportunity. With all due deference to Your Honour, I think there is too much haste. The Minister of Railways is very fond of making plausible excuses—

Mr. SPEAKER: Order. This motion is not debatable.

Mr. CHURCH: Mr. Speaker, I rise to a question of privilege. It is all very well for the minister to talk about embarrassing the management of the Canadian National railways by asking for the production of documents relating to matters still under negotiation, but my resolution asks for specific information in regard to a matter that has already been announced in six Toronto papers, and what they have published is just the opposite of what the minister has now told us, a statement of Sir Henry Thornton. It is quite true the government is not putting up any money, but the Canadian National railway management announced to the Board of Trade and other public bodies in the constituency from which I come that they will give their help to a lot of people to build a hotel and all the Canadian National Railways patronage.

Mr. SPEAKER: Order. There is no question of privilege. The motion of the hon. gentleman is not debatable. If I have allowed him to proceed, it is out of regard for his inability to hear distinctly what was said. I repeat, the motion is not debatable.

Motion negatived.

NATURAL RESOURCES—PRAIRIE PROVINCES

Hon. J. W. EDWARDS (Frontenac-Addington) moved:

That, in the opinion of this House, it is in the general interest of this Dominion that their natural resources should be transferred to the prairie provinces at the earliest possible moment and that such transfer should not interfere with, restrict or modify the right of the said provinces to complete control of their educational or other local affairs.

Mr. SPEAKER: In putting this motion to the House I may state that I have examined the question during the past few days and while I have come to a decision as to its right to be on the order paper, I should like to have an expression of opinion from the House on that point. In my judgment the motion is out of order, inasmuch as the question at issue is sub judice; it is a matter which at present is pending before the courts. However, as I say, I should like to be enlightened by the House as to the general feeling regarding the regularity of the motion before pronouncing upon it.

Mr. EDWARDS (Frontenac): Regarding the point of order, Mr. Speaker, I beg to direct the attention of the House to the fact that the reference to the courts is of a specific character conveyed in the following words:

Is section 17 of the Alberta Act in whole or in part ultra vires of the parliament of Canada, and if so in what particular or particulars?

Now, my resolution is general in its bearing. The reference to the courts, as I say, is specific, referring solely to Alberta in relation to section 17 of the Alberta Act. The present motion is general in its application in that it relates to the three prairie provinces, and that makes a decided difference.

I might call your attention, Mr. Speaker, to the fact that Premier Brownlee of Alberta has expressed himself on this question—and this, I submit, might be taken as an opinion bearing on the point of order—that the reference to the courts is entirely different from the question of the transfer of resources. That is the opinion which he has given and which was quoted in this House last session. Last year there was a government motion on the order paper with regard to this matter. On June 1 the government announced that they did not intend to proceed with the legislation promised in the speech from the throne at the opening of the session, but they kept that motion on the order paper and thereby prevented any discussion of the matter. So long as the government's motion remained on the order paper private members were precluded from introducing the subject. I repeat, my motion is general in its character, and it strikes me as subversive of democratic principles and of the liberties of members of the House that we should not be permitted to place on record our views on this important question.

Hon. ERNEST LAPOINTE (Minister of Justice): I am sorry I had no intimation that this matter would come up this afternoon, because I have not prepared for it. I would however refer you, Mr. Speaker, to May, thirteenth edition, at page 323:

Matters awaiting the adjudication of a court of law should not be brought forward in debate.

The same view is stated in Bourinot and of course in Beauchesne. All I have to say is that this question cannot be debated, at least in so far as the second part of it is concerned. As regards the first part of the resolution, as to the desirability of transferring Alberta's natural resources to the province. I think every one agrees on that point, because after all an agreement had been reached in the matter. That agreement, however, is subject to the qualification that it shall not interfere with, restrict or modify the right of the province to the complete control of its educational or other local affairs. That is where the disagreement comes in. I may add that an agreement has been entered into in that respect.

Had I known the matter would come up this afternoon I would have been prepared to refer the House to the statement I made last year, and which is in Hansard. However, I cannot debate the subject without referring to the very question which is submitted to the Supreme Court of Canada at the present time, and even if no rule existed to govern us in the matter I would not consider it proper, nor indeed would it be dignified on my part or on the part of any member of the House, to discuss a question which is actually pending before the Supreme Court of Canada. I think the motion is clearly out of order.

Mr. C. H. CAHAN (St. Lawrence-St George): There is, I think, a clear distinction between the issue now before the Supreme Court of Canada and the issue raised in this resolution. This resolution proposes that it is in the general interest of this Dominion that their natural resources should be transferred to the prairie provinces. That has nothing to do with the question before the Supreme Court of Canada as to whether section 17 of the Alberta Constitutional Act

of 1905 is intra vires or ultra vires. The resolution then proceeds:

And that such transfer should not interfere with, restrict or modify the right of the said provinces to complete control of their educational or other local affairs.

The transfer itself will not interfere with the control of education. The contention underlying the reference to the Supreme Court of Canada is that the Constitutional Act of Alberta of 1905 and the similar Saskatchewan Act, 1905, affect the question of the use by these provinces of certain educational funds and educational grants, I may simply state that I think there is a clear distinction. Every person knows my view on this; I state frankly that I cannot support this resolution in the terms in which it is expressed; but I do think that, unless Your Honour regards it as clearly out of order, it is inexpedient and not in the public interest that questions which were discussed on every platform in my province during the last election and questions which are being discussed daily in the public press should not be debated in this House, in order that the public may be fully informed as to their general merits. As I have said, my views are well known and I am prepared to stand in this House or in any other place and vindicate them, but I think it prejudicial to the interest of Canada and to the interests of this parliament that we should now prevent a discussion on a question which is of such general interest to the whole Dominion. I am sure that if ample discussion were allowed it would eliminate many misunderstandings which now exist with regard to the merits of the question.

Mr. LAPOINTE: Does not my hon. friend think that the decision of the court as to the constitutionality of the act will clear things up better than a discussion in this House?

Mr. CAHAN: If my hon. friend will allow me to give him a frank answer, I will admit at once that a final decision on the issue placed before the court will decide as to whether or not, apart from this proposed transfer, certain restrictions placed upon the provinces with regard to the use of school funds are valid or not. To my mind, however, there is a clear distinction between a general term such as the transfer of natural resources to these several provinces and the transfer of the school funds and school lands. The term "natural resources", in its proper application, is a transfer to each of these provinces of those natural resources such as lands, mines and so on, which have not been appropriated under existing statutes. In regard to that transfer there is a subject for discussion, in respect of which the maritime provinces and others have their own peculiar views.

Then with regard to these Dominion lands which have been set aside for school purposes in those provinces now comprising what were formerly the Northwest Territories, those lands have already been appropriated for the certain specific purposes, and already from the sale of those lands some $27,000,000 has accumulated, which amount is now held by the federal government in trust for educational purposes. Personally I do not think these school funds can be included, by any proper use of the words, in the natural resources of Alberta and Saskatchewan; I think that has been decided by parliament, and in respect of these school funds and school lands parliament is bound in honour to comply with the terms of the trust and to continue to administer it in accordance with those terms. Whether parliament shall decide that the crown in the right of the province or the crown in the right of the Dominion shall still continue to be trustee for these funds, my opinion is that the terms of the trust, whatever they may be, should be conserved.

What are the terms of the trust? It is true that a decision that section 17 of the Constitutional Acts of 1905 is ultra vires of parliament may, to a certain extent, modify the terms under which these funds are now held, and may affect to the same extent the terms by which they shall be held by the crown in the right of the province, in case that transfer is made. But apart from that one single issue there are broad questions which I am convinced, if discussed thoroughly in this House, would tend to remove many popular prejudices, sweep away a mass of misinformation now existing, and prove to be of great advantage not only to the government but to the whole of Canada.

Mr. LAPOINTE: But does not my hon. friend admit that all the trouble has arisen over the constitutionality of clause 17 of the Alberta act? If everyone admits that it is constitutional no one can object to the terms of the agreement or the terms of the resolution introduced last year. All the trouble is based on that, and it is in the interests of all parties to the discussion that this point should be made clear.

Mr. EDWARDS (Frontenac): I rise to a point of order. If this is sub judice so far as I am concerned, I am going to insist that it be sub judice as far as others are concerned.

Mr. SPEAKER: The hon. gentleman is perfectly right; all remarks must be addressed to the point of order.

Mr. WILLIAM IRVINE (Wetaskiwin): I am not prepared to deal at length with this point of order, and especially am I unable to quote the authorities against the point of order raised by Mr. Speaker, which some constitutional students may be able to do. However, I want to say that in my opinion it would be stretching a point to rule this out even though there may be technical reasons why that should be done. I believe the matter should be discussed and I think it is a far cry from the technical point of law which is before the courts to the general principle involved in this resolution.

There was one point in the argument of the Minister of Justice, however, which drew my attention; if I misunderstood him I have no doubt he will correct me. I understood him to say that the first part of the resolution which states the general principle that Alberta should be given her natural resources was all right and that there was no objection to it, but when we come to the second part of the resolution which states that there shall be no restrictions as to the control of schools that does not seem to be the case. Are we going to understand then that the court has been asked to decide as to whether or not Alberta has the right to take control of its educational facilities?

Mr. SPEAKER: Order. The hon. gentleman must confine himself to the point of order. If I should decide that the motion is in order the hon. gentleman may then discuss the matter fully, but just now I have to decide whether or not the motion of the hon. member for Frontenac-Addington (Mr. Edwards), is in order, and all remarks must be confined to that point.

Mr. IRVINE: If I am out of order I shall be glad to cease dealing with the point, but I am afraid I did not make myself clear. I think perhaps Mr. Speaker misunderstood me. I am not arguing the case which is before the courts at all. I took my point from the remarks of the Minister of Justice, and if what he said was true, my inference must be equally so. I do not think that the point of the Minister of Justice was well taken. That is to say the court is not asked to decide whether Alberta has that right or not, but rather it is deciding as to whether or not a certain clause in a particular law is ultra vires.

[Mr. J. W. Edwards.]

Mr. KAISER: Would Mr. Speaker kindly read the rule which he thinks is applicable in this case, and as to the application of which he appears to have some doubt?

Mr. SPEAKER: Do any other gentlemen desire to speak upon the point of order?

Mr. H. C. HOCKEN (Toronto West Centre): Mr. Speaker, this resolution is identical in substance with the agreement that was laid on the table by the government at the beginning of last session. Of course they amended it afterward and to escape a rather embarrassing situation created by my hon. friend the member for Labelle (Mr. Bourassa). The question submitted to the court was as to whether clause 17 of the Alberta Act was valid. Now the only question before the court is the validity of section 17 of the Alberta Act. This resolution does not refer to that section; it says simply that the three prairie provinces should have their natural resources given to them, that those resources should come under their control without any restriction of their local autonomy. Therefore I cannot for the life of me see how the question that is before the court at the present time has any special bearing upon this resolution. If the Supreme court holds that section 17 of the Alberta Act is intra vires, then I presume the government would hand over to Alberta and the other provinces their natural resources without any restrictions whatever—at least there would be no reason arising out of the judicial decision why they should not. Now I submit, Mr. Speaker, that in that case the provinces of Alberta, Saskatchewan and Manitoba, and the two former particularly, would be in exactly the same position as they would be if this resolution carried. If the resolution carried to-day, and were acted upon, the Autonomy Act of 1905 would still stand. If it is intra vires the situation as it exists would be quite satisfactory to the hon. member for Labelle. If it is ultra vires, we should not prevent these provinces from enjoying their full provincial status the same as Ontario and Quebec. I am at a loss to see why this resolution is not in order in view of the circumstances surrounding it, and I submit that we ought to go on with the discussion.

Hon. H. H. STEVENS (Vancouver Centre): I should like to bring just one or two points to the attention of Your Honour and the attention of the House. In the first place, I would remind Your Honour that there is no rule of the House governing this point; it is

a question of practice, a question which is cited largely in May, also in Beauchesne's Parliamentary Rules in the following terms:

Besides the prohibitions contained in this rule, it has been sanctioned by usage both in England and in Canada, that a member, while speaking must not:

(c) refer to any matter on which a judicial decision is pending.

Mr. SPEAKER: From what page is the hon. member quoting?

Mr. STEVENS: I am quoting from page 62 of Beauchesne's Parliamentary Rules and Forms, rule 19, sub-section (c). Behind these rules there is always some reason, and I think it is clear to all of us that the intention of this practice, which has now taken on the nature of a rule, was to prevent any person's case that might be before a court from being prejudiced because of a discussion in this House under the privileges of parliament. That is undoubtedly the case. Therefore I submit to Your Honour that in applying the rule or invoking the precedent there ought first to be inquiry whether any interest is to be prejudiced by the discussion of the matter proposed.

Now I wish to call Your Honour's attention and the attention of the House to the nature of the reference. The reference is, whether clause 17 of the Alberta Act is intra vires or ultra vires of this parliament. I notice that in a report which emanated from the Supreme court a few days ago their lordships expressed the desire to have the matter discussed before them. I think there is no doubt that it will be necessary to do that. It is not a matter of dispute between some individuals in the country whereby a discussion here would prejudice the right of a citizen in the court. That is not involved in this case. It is, I might say, a hypothetical question, it is a constitutional question being submitted to the Supreme court for their consideration. In order that their lordships may give due and proper consideration, there must be discussion before the court. Now I submit to this House that a discussion, even on the point itself, directly entered into, whether by the Minister of Justice, the Solicitor General, and other able lawyers on that side of the House, or by my hon. leader (Mr. Guthrie), the hon. member for West Calgary (Mr. Bennett) and other eminent lawyers and counsel on this side, would form very interesting matter that their lordships might profitably and properly peruse in order to arrive at a decision, together with the discussion before the court itself. But as a matter of fact, Mr. Speaker, the point at issue before the court need not necessarily be discussed here at all, and we can very properly trust Your Honour to bring any speaker here to order when he trespasses upon the rule. I can apprehend that this resolution could be discussed here from almost every angle without trespassing upon the rule.

Mr. LAPOINTE: I could not.

Mr. STEVENS: Well, Your Honour would be quite competent, I think, to bring to order any member trespassing the rule or practice.

But what I want to point out further is this: This matter is being discussed in the legislature of Saskatchewan, it is being discussed all over the country on many political platforms and in other places, and surely this great forum of the people ought to have the right to discuss an important question of this kind just so long as no interest is placed in jeopardy, and the right of no man or citizen before the court is interfered with.

Hon. Mr. BENNETT (West Calgary): Before Your Honour renders judgment I should like to direct attention to a matter that has a direct bearing upon the question whether or not the resolution is in order. The rule that my hon. friend (Mr. Stevens) has just referred to is of universal application. No high court of parliament should discuss a question that might prejudicially or otherwise, affect the interests of a litigant. That is the general rule. It therefore becomes necessary to inquire whether the reference to the Supreme Court of Canada is or is not litigation within the sense of the correct use of that word. In the Privy Council in 1912, in the case of the Attorney General for Ontario versus the Attorney General for Canada, it became necessary to determine whether or not the courts were bound to answer hypothetical questions thus submitted to them by the executive, and after a very full argument Lord Chancellor Earl Loreburn, in the course of his judgment, speaking for the commitee said this:

But the answers are only advisory and will have no more effect than the opinions of the law officers. Perhaps another reason is that the act has resulted in asking a series of searching questions very difficult to answer exhaustively and accurately without so many qualifications and reservations as to make the answers of little value. The Supreme court itself can, however, either point out in its answer these or other considerations of a like kind, or can make the necessary representations to the Governor General in Council when it thinks right so to treat any question that may be put.

Then these significant words appear at the close of the sentence:

And the parliament of Canada can control the action of the executive.

If that be so, it appears to me to be a very grave question whether or not this reference to the Supreme Court of Canada can be said to be litigation. That is the first difficulty which I have in this matter. The second difficulty which I have is this, that the Privy Council has said that the judgment of the Supreme Court of Canada in answer to the questions submitted will be of no more importance than the opinion of the law officers of the crown, and inasmuch as the Minister of Justice (Mr. Lapointe) signed the first agreement for the transfer of the resources, we must take it that his opinion was that there was no violation of fundamental rights under the constitution by reason of the agreement being made effective.

The matter now having been submitted by the executive to the court and the opinion of the court being no more valuable than that of the Minister of Justice, whose opinion has been already delivered inasmuch as he has signed the agreement, it seems to me to be somewhat difficult to say that this matter is now sub judice. If it were I would have no difficulty in arriving at the conclusion that it was out of order. But my difficulty at the moment is whether or not this can be said to be litigation or sub judice in the sense in which those words have been used in the various rules of parliament dating from the earliest days down to the present. If it is sub judice in the sense in which those words are used, I have no doubt that Your Honour should rule it out of order. But the significant words to which I have directed the attention of hon. members—

> And the parliament of Canada can control the action of the executive.

—would make it quite possible for the hon. member for Frontenac-Addington (Mr. Edwards) to drop this resolution and move a resolution deprecating the reference of this question to the courts. Such a resolution would place at large the whole issue that is now being or about to be considered by the Supreme Court of Canada, inasmuch as the Privy Council has declared in the very terms I have used the right of this parliament to control the action of the executive.

I have the misfortune perhaps to differ from some of my colleagues with respect to one matter. I have no doubt the reference to the Supreme Court of Canada directly affects the question of the transfer of the resources for a reason that, I think, need only be stated to carry conviction. In the original agreement the transfer of the resources was

of course subject to the provisions of the Alberta act, and if the provisions of the Alberta act were intra vires, then obviously no further restrictions were necessary to preserve the rights of those who claim rights under its provisions on the school fund. But if on the other hand the provisions of the autonomy act, to which the transfer of the resources would be made subject, were ultra vires, it would follow that without restrictions or reservations the rights of minorities or majorities would be all the same and there would be no question with respect to the moneys under the school fund.

It is for that reason, I apprehend, that the matter has been referred to the Supreme Court of Canada; for, as the Minister of Justice has very properly said, if section 17 of the Alberta act is intra vires, by common consent, it seems to me, there is no further matter for its consideration or decision. But if on the other hand that section should be ultra vires, then clearly the question to be considered is what action, if any, should be taken by this parliament with respect to the matter that is mentioned in section 17. That is the whole question in a nutshell as I appreciate it at this moment.

I am one of those who perhaps differ again from some of my colleagues. I do not think it is desirable that we should discuss the question in parliament if it is sub judice in the sense that the question of the merits or demerits of special claims are to be considered. But if on the other hand we are merely to discuss the action of the executive in referring this matter to the courts instead of accepting the responsibility which the law imposes upon them, then another set of considerations should prevail.

I am free to say, Mr. Speaker, that my opinion is so hesitant with respect to this matter that I cannot render any assistance to you other than merely to point out the observations that were made with respect to what would result if the question were put to the Supreme Court of Canada, particularly having regard to the fact that the province of Alberta has indicated its intention not to be represented before the court at that hearing. That being the case, the observations of the hon. member for Vancouver Centre (Mr. Stevens) would seem to be very pertinent, namely, that a discussion in this parliament would be quite as important as a discussion in the Supreme Court of Canada if the opinion of the Supreme court was of no more value than that of the Minister of Justice.

Mr. LAPOINTE: I think the province of Alberta is being represented by counsel, but counsel is authorized not to take any part. He has merely a watching brief.

Mr. BENNETT: Quite so.

Mr. LAPOINTE: And counsel for that province has even suggested to the court that the court should appoint counsel to represent the other side of the question.

Mr. BENNETT: I had intended to refer to the newspaper reports as to the court itself appointing counsel. What I should have said perhaps, to make the matter clear, was that counsel for Alberta had indicated that he had no intention of discussing the merits or demerits of the question referred, but was merely observing what was taking place in the court, and that it was competent for the court, if it so desired, without any complaint on his part, to appoint counsel to represent the other side.

That is the only difficulty I have in the matter, and I have no doubt if the matter can be said to be sub judice in this sense, it is a matter that should not be considered by this parliament. But if on the other hand the discussion would, as the hon. member for St. Lawrence-St. George (Mr. Cahan) said, elucidate or simplify the complexity of the problem that has otherwise to be dealt with, then a discussion in this parliament without the province of Alberta being represented by counsel, as is the case in the Supreme court, would be quite as relevant, helpful and illuminating as a discussion in that court, when, as I say, its opinion in answer to the question would have no more value than that of the Minister of Justice, who may one day adorn the Supreme Court of Canada itself.

Mr. LAPOINTE: Thank you.

Mr. EDWARDS (Frontenac): I have just this to say. My resolution asks for the transfer of their resources to the provinces at the earliest moment without any modifications or restrictions. I am quite confident I am in line in that resolution with the Premier of Alberta. Whatever restrictions may be placed or modifications may occur after the Supreme court renders its judgment, is another matter. In other words I maintain that the transfer should take place without restrictions or modifications, no matter what restrictions or modifications the Supreme court may subsequently impose.

Mr. STEWART (Edmonton): Inasmuch as the agreement for the transfer provides that the school lands and school land funds shall constitute part of the transfer from the federal government to the province, and inasmuch as there is a question involved as to the jurisdiction in the Autonomy Act of 1905, and particularly section 17, how can my hon. friend say that question is not involved in a discussion of this resolution?

Mr. G. R. GEARY (South Toronto): As I understand Your Honour's ruling, you are dealing with an objection taken to the notice of motion as being out of order because the motion deals with a subject that is before the court for adjudication—that is, pending for decision before some court. I know of no parliamentary rule that refers to this case at all, but I believe, by analogy with the civil courts, parliament has refused to discuss as being out of order a matter which was before the Supreme court for judgment at the same time. But that was only in a case I think, if Your Honour will look at the proceedings, where justice might be prejudiced somewhat by a discussion taking place in parliament. Where the publication does not tend to interfere with the courts of justice, then there is no such thing as a rule preventing this discussion because the matter is sub judice. There is no magic in the word, and there is no rule which says, except for good reason, that you cannot discuss here or anywhere else a matter that is before the courts. It may not be discussed, however, when it will tend to interfere with the course of justice. For instance, if you allowed discussion of an election before the time limited for bringing in a protest against that election, you might prejudice the courts of justice in regard to that election; you might intimidate witnesses, and might make it impossible to get a jury; or you might, for one reason or other, put it out of the reach of the courts to do common justice in the matter. But here there is no such case as that. There is no plaintiff or defendant. There is an academic question being decided by the Supreme Court of Canada.

My hon. friend says that counsel for Alberta is not taking active part in the discussion. The case will be presented by the learned Solicitor General, who has with him, I believe, equally eminent counsel from the city of Montreal. Right will be done, irrespective of what this House may say, or what decision the House may come to, and I suggest to Your Honour that where the matter is brought up under such a vague and general proposal as this, or an objection so vague and general as this one of sub judice, it should be only in the clearest case that Your Honour would give effect to such an objection; because if Your

Honour lets it run too far there is a means ready to hand for the government or the opposition to put any matter out of the realm of discussion by referring it to the courts. I would suggest, in all deference, that it is a matter in which great care should be taken, because if you support the objection the effect of the ruling will be that it will remove a very live question from the realm of free discussion in this House, whereas it is now discussed in every legislature that wants to discuss it, in the press, and wherever two or three are gathered together in this whole Dominion. That we in this House should be permitted to discuss the matter is very important, and I know you will give that phase of the situation very serious consideration before acceding to the objection.

Hon. CHARLES MARCIL (Bonaventure): You were here, Mr. Speaker, and the Minister of Justice (Mr. Lapointe) the leader of the opposition (Mr. Guthrie) and the hon. member for Labelle (Mr. Bourassa) were here, when the Autonomy Act was passed twenty-two years ago, and I am sure it makes us all feel much younger to hear the same discussion over again. The French translation of the word "sub judice" means, under the judgment of the court or under the court. One point only is involved here and that point is whether section 17 was ultra vires or intra vires. That question was discussed in 1905 and parliament decided that it was intra vires. My hon. friend from Frontenac-Addington (Mr. Edwards) should have proceeded in the same way in which we proceed with judicial matters when we refer to the conduct of courts or judges. The hon. member from Frontenac should have brought in a motion condemning the action of the Minister of Justice or of the government in referring the matter to the court. That is the way in which we should proceed. Now that it is before the court it should be left there until a decision is obtained in the court, because I for one feel that until I have the decision of the court I am not in a position to say whether we should transfer these natural resources, independent of the provisions laid down in the statute of 1905.

Mr. HENRI BOURASSA (Labelle): On the point of order, and the point raised by the hon. member for South Toronto (Mr. Geary) it seems to me the hon. member for West Calgary (Mr. Bennett) and the hon. member from Bonaventure (Mr. Marcil) have struck the right key. If the hon. member for Frontenac-Addington (Mr. Edwards), or any other member of the House, is not satisfied with the action taken by the government in referring the matter to the court, let him proceed in the proper way and bring a motion of censure against the government for the action taken in their capacity as the executive of this country. But as regards the question whether we can discuss this motion without referring to the matter before the Supreme Court of Canada, perhaps because of the dulness of my intellect I do not see how we can deal with one without trenching on the other. The hon. member for South Toronto (Mr. Geary) has insisted that the rule, or the parliamentary practice, which has for its object the protection of the rights of the people should not be so applied as to curtail the rights of parliament. I think that is absolutely right. I should be the last member of this House to sustain any procedure taken by any cabinet to take away from parliament the right to discuss any question by referring it to a court of justice. I also agree with the hon. member for St. Lawrence and St. George (Mr. Cahan) that from a broad point of view it might be just as well to have the whole matter discussed now. But taking the situation as it stands, the hon. member for Frontenac wants the House to declare that the natural resources of the province of Alberta should be handed over to the government without any restriction whatever in regard to school matters. The hon. member for St. Lawrence-St. George expressed the opinion that this parliament created some years ago a trust which must be respected by the government of Canada or by the government of the provinces, but this is precisely the place where it is impossible to discuss this question without discussing the reference to the Supreme court.

Mr. EDWARDS (Frontenac): I ask Your Honour's judgment as to whether the hon. member for Labelle (Mr. Bourassa) is properly discussing the point of order, or is trying to get in some of his views in regard to the merits of the question.

Mr. BOURASSA: That point was raised by my hon. friend, and to clear the ground, I might say I am not raising at all the merits of the question, but simply taking the arguments made by the hon. member for St. Lawrence-St. George, the Minister of Justice and the other members who have spoken already, wherein they admit that it is impossible to discuss the general question—and a fair one—raised by the hon. member for Frontenac, without discussing at the same time the question before the Supreme court. That is my argument. I am not at all discussing

the merits of the question either as raised by the hon. member or as submitted to the Supreme court.

But the other point I want to insist upon, and I do not think it has been touched yet, is the right of members of parliament to be enlightened. I do not take it for granted that we know all things, I do not take it for granted that we are prepared to discuss all questions without being enlightened by opinions of the highest tribunals. I do not believe in parliament abdicating its rights in favour of any tribunal, whether it be the Supreme Court or the Judicial Committee of the Privy Council; and I entirely agree with the opinion expressed by the hon. member for West Calgary (Mr. Bennett) and the quotation he gave us of Lord Loreburn's opinion. Of course, no decision of the Supreme court nor of the Privy Council could abridge the right of this parliament to do justice or injustice, to maintain its engagements or to violate them. Parliament is supreme. But rightly or wrongly after the discussion of last year, or rather after the divergence of view which developed around this question, the government decided to consult the Supreme court. For what purpose? For the enlightenment of parliament in order to make it clear whether a certain section of a certain act of this parliament is intra or ultra vires. We could decide right at once that it is intra or ultra vires, but that would not prevent any individual or group of individuals in the future challenging its validity. Just as we are supreme in deciding what we should do, the courts are also supreme in deciding whether we have acted constitutionally or not. Therefore the question before the Supreme court is, first, one that may affect the rights of all citizens, present and future, who may be interested in the question at issue; and, second, it is one which affects, I think, the right of this parliament to receive the benefit of that opinion of the Supreme court. If the member for Frontenac (Mr. Edwards) thinks the government was wrong in making that reference to the court, of course he has a way open to him in the suggestion of the hon. member for West Calgary; let him bring a motion of censure against the government. But there I disagree with the member from Toronto who last spoke.

Mr. EDWARDS (Frontenac): May I ask a question?

Mr. BOURASSA: Yes.

Mr. EDWARDS (Frontenac): Suppose I did that, the question being still before the Supreme court, would I not be precluded from referring to or arguing the point?

Mr. BOURASSA: As far as I am concerned I do not know, but the hon. member would certainly not be embarrassed in anything he might say blaming the government for its attitude upon that question. It would again be for the Speaker to decide whether the debate might not infringe upon the rule or the practice. But, I repeat, I think the application of that rule or of that practice is of advantage to parliament. Of course, it can be abused by a government—everything can be abused—but the right exists. Nobody challenges the right of a government to refer a question for enlightenment to the highest tribunals of the land. No one questions the right of this parliament to ask for opinions. Every day in committees of this House we ask for expert opinion. When we call upon engineers to come before committees, when we refer a question to a committee in order to get expert advice, we do not abandon our sovereign authority—

Mr. EDWARDS (Frontenac): Mr. Speaker—

Mr. SPEAKER: Order.

Mr. EDWARDS (Frontenac): Mr. Speaker, I do not wish to interrupt the hon. gentleman, but may I have your ruling? The hon. gentleman is indulging himself, as he always does, in a speech that, I submit, has not any reference to the point of order before the House.

Mr. SPEAKER: On the contrary, for a layman, I think the hon. member for Labelle is making a very good argument and one bearing on the question of order. In my view his remarks are distinctly on the point of order.

Mr. BOURASSA: Mr. Speaker, I am not going to be diverted by any personal argument. I disdain that. I have not received the kind of education that has been given my hon. friend and I will not follow him. I was making the comparison to demonstrate by analogy that when parliament refers any question, which beyond any doubt is under its jurisdiction, to get expert advice, it owes it to itself to wait until it has received that expert advice before forming its judgment. You refer certain questions to a body of engineers in order to enlighten yourselves as to certain public works; you refer certain other questions to accountants in order to find out what are the merits of a certain contract involving a large expenditure of money; would you be abdicating your right as a sovereign parliament if you waited until you had received that expert advice before you passed any legislation? Or do you want to put yourselves in the position of saying: We are not only supreme, we are infallible?

But at the same time we have to admit that the tribunals exist to decide whether or

not our legislation is within our jurisdiction. We all have to admit that. Many pieces of federal or provincial legislation have been set aside by decisions of various tribunals. Did that mean that this parliament or that provincial legislature had abdicated its jurisdiction? I do not think so. I think that is the point, and the most interesting point from the parliamentary point of view. Of course, with regard to litigants I quite admit that this question cannot be compared with the intervention of parliament in a question which may affect the immediate right of one or more individuals before the courts to have certain things adjudicated.

But I think it is still more important whether or not we shall oppose the decision of the government to submit this question to the Supreme court in order to receive the enlightenment that we may be in need of not to commit an injustice or not to pass any legislation which may be in its turn ultra vires. It may be that with the intention of doing the right thing either by the province or by the minority we would again pass legislation that might be challenged. Now that the question is before the Supreme court in order to decide whether or not what we did twenty-two years ago is intra vires, I think before we do something else connected with this we should clear the decks with regard to that basic question at issue. After that it will be for the House to take its full responsibility to accept or reject the opinion of the Supreme court in so far as we can deal with those natural resources. That is an entirely different question from that raised before the Supreme court. In that I agree with the hon. member for St. Lawrence-St. George (Mr. Cahan), but the way in which the motion is before us, I think, clearly puts us in this position, that we pronounce ourselves upon a question intimately connected with one now before the Supreme court.

Mr. HOCKEN: May I put a question to my hon. friend before he sits down?

Mr. BOURASSA: Certainly.

Mr. HOCKEN: He and some other hon. members have advised the hon member for Frontenac as an alternative to the motion now before the House to introduce a motion censuring the government for submitting this question to the Supreme court. Now, the cabinet when in doubt surely has a right to ask the court for its interpretation of a statute. So that if my hon. friend put his motion in that form he would have no ground to debate the question in the House, inasmuch as he would be attacking the government for doing something which he would have to admit they have a perfect right to do.

[Mr. Bourassa.]

Mr. BOURASSA: Then if the government was right in referring the question to the Supreme court, the House would be wrong in not awaiting the outcome of the proceeding.

Hon. HUGH GUTHRIE (Leader of the Opposition): I have just a word to add, strictly in regard to the point of order. I doubt very much whether this question is now before the Supreme court in such a way as to preclude discussion of it in this House on the present motion. I doubt the right or the propriety of any government to refer a hypothetical question for the adjudication or the opinion of the court for the purpose of preventing discussion, or with that end in view. The rule in regard to the discussion in parliament of matters which are pending in the courts was established for the protection of litigants in order that their rights might not be prejudiced in any way. So far as I can ascertain, there is no other reason for the rule, and it was never intended to apply to hypothetical questions. If the government can submit of its own motion such a question for the opinion of the court and thereby preclude its discussion in parliament, as it seeks to do in this instance, why can it not, on the question of maritime rights for example, submit a question for the opinion of the court and thus avoid discussion of it in the House for the remainder of the session? No one is asking the government to do so. There is no litigation on the subject. There are no litigants involved in the matter, and such a reference would be on a purely hypothetical question on motion of the government. But if the discussion of this subject is out of order by reason of the reference to the court of a hypothetical question, so would the discussion of the Duncan report be out of order and the session would conclude without any word upon that subject having been spoken. If any awkward or embarrassing question came up in the House at any time, the government of its own motion would need only to frame a hypothetical question and submit it to the court and parliament's hands would be tied. We could not discuss the subject. I am satisfied that our common sense will convince us that these rules must have reasonable application; indeed, they were founded in common sense. And this particular rule was intended to benefit and protect litigants whose causes might be pending in the courts. What application has it to a case of this kind? I must say that at first I had some doubt on the subject. I consulted the authorities in so far as I was able to find any. But applying our own common

sense to the situation, I submit that the reference of this question in the form in which it is referred, where the rights of the individuals are not involved and where the judgment, no matter what it may be, cannot be binding on this parliament—for we can act not withstanding it—should not preclude us from a full discussion of the motion as presented to-day. I cannot come to any other conclusion on the point of order.

Mr. SPEAKER: Prior to the introduction of the motion this afternoon I had an opportunity of carefully examining this matter, and I am glad to have had the benefit of the opinion of the House on both sides. The question, I admit, is somewhat involved; yet taking, as I generally do, the English language as it is written and spoken I find it perfectly clear and simple. And I think it is a great compliment to the English language to say that it is simple. Now I consult the best British authorities on a subject of this nature, and I govern myself accordingly. One hon. gentleman, the genial member for South Ontario, asked a very pertinent question: "Under what rule, Mr. Speaker, would you declare this motion out of order?" There is no rule in the Canadian House by which we may be governed in the matter, but if the hon. member will refer to rule 1, citing the "procedure in unprovided cases", he will find the following:

In all cases not provided for hereinafter or by sessional or other orders, the rules, usages and forms of proceeding of the House of Commons of the United Kingdom of Great Britain and Ireland in force on the first day of July, 1867, shall be followed.

When, therefore, we have no rule applicable to a case arising in the course of debate in the Canadian House of Commons we govern ourselves by the British practice. And it has happened many times during my term of office as Speaker that I have had recourse to the practice in the British parliament.

Before ruling on this point of order I may perhaps make this prefatory statement. A resolution was introduced last year by the Minister of Justice (Mr. Lapointe) and later on a reference was ordered by the government to the Supreme Court of Canada of the question involved in that resolution. There is a statute authorizing the government to refer particular cases to the Supreme Court for adjudication or for the purpose of clearing any doubts that may exist as to the interpretation of any act of parliament. The reference, as I say, was made to the Supreme Court of Canada in the present instance, and parliament thereafter was dissolved. Some time ago, a question was put by an hon. member asking for a copy of that reference, the text of which was later on laid upon the table by the Minister of Justice. I shall read it and the House, listening to its terms, will realize just how the question stands at the present moment:

The Committee of the Privy Council have had before them a report, dated 24th June, 1926, from the Minister of Justice, stating that as the result of certain negotiations looking to the transfer to the province of Alberta of the public lands within that province, now vested in the crown and administered by the government of Canada for the purposes of Canada, an agreement was entered into on the 9th January, 1926, between the governments of the Dominion of Canada and of the province of Alberta, respectively, whereby it was agreed that certain provisions of the Alberta Act should be modified to the intent that all crown lands, mines, minerals and royalties within the province, and sums due or payable for such lands, mines, minerals or royalties should, from and after the coming into force of the said agreement, belong to the province, subject to any trusts existing in respect thereof and to the several other terms and conditions particularly set forth in said agreement. Subsequently the two governments agreed upon certain additional provisions to be inserted in the said agreement relative to the transfer and administration of the school lands fund and certain specified school lands, to parks and forest reserves affected by the agreement, and to the rights and properties of the Hudson's Bay Company. Notice was given by a resolution that a bill would be introduced into parliament, at its present session, to approve and give effect to the said agreement as so modified, but a question having been raised as to the constitutional validity of section 17 of the Alberta Act, relative to the subject of education and schools within the said province, it was decided not to proceed with the proposed legislation as drafted until this question of doubt could be authoritatively settled.

The minister, therefore, recommends that the following question be referred by Your Excellency in Council to the Supreme Court of Canada for hearing and consideration, pursuant to section 60 of the Supreme Court Act:—

Is section 17 of the Alberta act, in whole or in part, ultra vires of the parliament of Canada, and, if so, in what particular or particulars?

The committee concur in the foregoing recommendation and submit the same for approval.

That is the question referred to the Privy Council. Then the hon. member for Frontenac-Addington (Mr. Edwards) moved:

That, in the opinion of this House, it is in the general interest of this Dominion that their natural resources should be transferred to the prairie provinces at the earliest possible moment and that such transfer should not interfere with, restrict or modify the right of the said provinces to complete control of their educational or other local affairs.

There again are two questions, the question of the transfer of lands and the question of control of education. The hon. member stated

a moment ago that his motion as drafted was general in its terms, and concluded from that that as the other motion only affected one province and his motion dealt with the three prairie provinces, there was no analogy between the two cases. There is a good old rule of logic which says that the general includes the particular; there are only three prairie provinces, so what affects one with regard to the transfer of natural resources and educational powers affects the others unless there are special statutes governing the other provinces.

What do we find in Bourinot? At page 301 we have the following:

> A matter which is under adjudication by a court of law cannot be brought before the House by motion or otherwise.

Bourinot does not state, as the leader of the opposition said a moment ago, that the matter before the court must be one which would affect an individual, in connection which any discussion might abridge or prejudice any rights he might have.

Bourinot makes no such distinction. Whether an individual or a collectivity of individuals is before the court, the case is not altered. The rule is that when a matter is under adjudication by a court of law, whether it affects an individual or a collectivity of individuals, whether it affects one man or one province, it cannot be brought before the House by motion or otherwise. In this connection May says, at page 323:

> Matters awaiting the adjudication of a court of law should not be brought forward in debate. This rule was observed by Sir Robert Peel and Lord John Russell, both by the wording of the speech from the throne and by their procedure in the House regarding Mr. O'Connell's case, and has been maintained by rulings from the chair.

Redlich, at page 59 of volume 3, says:

> Nothing has been done to weaken the force of another rule of a similar kind, that no reference must be made in debate to matters before the courts of law in some pending litigation.

And Beauchesne says, in par. 234 under rule 19:

> Besides the prohibitions contained in this rule, it has been sanctioned by usage both in England and in Canada, that a member, while speaking, must not refer to any matter on which a judicial decision is pending.

The hon. member for Bonaventure (Mr. Marcil) referred a moment ago to past parliamentary experience. I remember a case in point which I am sure will be recalled by the leader of the opposition as well. Some years ago, after a Dominion census, the representation of the maritime provinces as well as that of Ontario was reduced, affecting the maritime provinces to a greater extent. That result raised a storm in the maritime provinces, because they felt rather aggrieved in view of that reduction. The matter was brought up in the House, and as a doubt was expressed with regard to the terms of the compact at the time of confederation, since which time the boundaries of Ontario and Quebec were enlarged and the other new provinces of the west came into existence, the government of the day decided to refer the matter to the Supreme court from where it went to the Privy Council. I had the honour to represent the Department of Justice in a minor capacity as Solicitor General and had with me as counsel Mr. Justice Newcombe and Mr. Edward Blake. If I remember well, during the session of parliament, while the case was pending, a member representing one of the counties in the maritimes brought up the question in order to give vent to the grievances of his province. The point was raised that the matter was then pending before the courts, and that point of order was sustained. I cannot cite the exact dates, but the occurrence is quite within my memory, and that is a case in point.

Under these circumstances I must declare the present motion out of order, because it refers to a matter which is sub judice, awaiting adjudication before the courts of the land, and I so rule.

NATURAL RESOURCES—ALBERTA

Mr. T. L. CHURCH (Toronto Northwest) moved:

> That, in the opinion of this House, in the best interest of confederation, the time has now arrived in view of the proper economic development of western Canada, when the province of Alberta should be given its natural resources free of restrictions.

Mr. SPEAKER: The same ruling applies in the present case. The ruling is not debatable, but the hon. gentleman has the privilege of discussing the point of order.

Mr. CHURCH: With all due deference to your ruling, Mr. Speaker, I wish to point out that this resolution is not the same as the one just disposed of. My resolution contains a declaration of policy; it does not deal with matters of law at all. This is supposed to be a free parliament under the British constitution, and we should be perfectly free to discuss such public questions as these. This is a British country and one of the cardinal principles of the British constitution is that the courts are subservient to the legislature. May I point out that the subject matter of my resolution was introduced in the speech from the throne at the last session

of parliament when it was declared that its natural resources would be handed back to Alberta. There has never been any doubt as to the validity of either the Alberta or the Saskatchewan Acts of 1905, at present neither the province of Alberta nor the government of Canada question the validity of the Alberta Act of 1905 or of clause 17. While litigation was pending before the Privy Council re the Industrial Disputes Act in 1924, an act was passed amending it and signed by the Governor General. At that very time litigation was in progress between the hydro-electric commission and the federal government and an appeal was argued before the Privy Council after this parliament had prorogued. I think every member owes a duty to his constituents which is paramount, and therefore is entitled to bring forward questions of this character, if this is a free parliament. I have great respect for the ruling of the Chair, but if the ruling in this instance was sound it would be open to the government of the day to refer to the courts any question which it did not wish to have discussed by parliament. Every member has an inherent right to discuss public questions on the floor of parliament, and in contesting your ruling, Mr. Speaker, I think I am asserting a great principle of provincial rights. It has been admitted here, as well as by the Department of Justice, that the validity of clause 17 of the Alberta Act is not in dispute. The Minister of the Interior also informed the House that neither the federal nor the provincial authorities were contesting its validity. The Autonomy Acts of 1905 have stood the test of time. They were passed after six months' discussion in parliament, and there were no less than twenty divisions. Some of these divisions related to litigation and to rulings given by the courts of this country and by the Privy Council. Each of the western provinces when it entered confederation had a school system of its own manufacture, and clause 17 which was made applicable to them was taken from the old Northwest Territories Act. The act has been on the statute books for over twenty years and the validity until recently was never disputed until some implied doubts were expressed by some unknown persons to the Minister of Justice.

Mr. SPEAKER: I do not think the hon. gentleman has raised any new point. I have already ruled that his resolution is substantially the same as the one which has already been pronounced out of order. Therefore the hon. member may not proceed; he is not in order.

Mr. CHURCH: The hon. member for Labelle (Mr. Bourassa) was permitted to debate for half an hour all phases of the subject to-day and the policy involved.

Mr. SPEAKER: Order, order. A ruling of the chair is not debatable.

Mr. CHURCH: Then I will appeal from your ruling to the House, Mr. Speaker, with all due deference. I think that in doing so I am asserting a great principle and asserting the rights and privileges of a member and a duty to my constituents.

Mr. SPEAKER: Order. Mr. Church moves, seconded by—who seconds the motion?

Mr. CHURCH: Mr. McGregor will second it.

Mr. SPEAKER: It is moved by Mr. Church, seconded by Mr. McGregor—

Mr. McGREGOR: No.

Mr. SPEAKER: The hon. member has no seconder.

Mr. CHURCH: My seconder Mr. Garland went out, I can give the name of an hon. member in a minute. You allowed, Mr. Speaker, the hon. member for Labelle last session, a few moments to find a seconder and to redraft his motion. I ask any of the Toronto members present to second my motion. I ask Mr. Matthews or Mr. Anderson or Mr. Geary or Mr. Spence to second it. It is only a matter of courtesy to second it.

Mr. SPEAKER: There being no seconder to the motion, and the motion itself having been declared out of order, the House will proceed to the next item of business.

NATIONAL COAL POLICY

PROPOSALS AS TO SUPPLY, TARIFF AND TOLLS

Mr. T. L. CHURCH (Toronto Northwest) moved:

That, in the opinion of this House, the time has arrived for Canada to have a national policy in relation to its coal supply and that no part of Canada should be left dependent on United States for such supply.

That, the government should immediately consider the initiation of an all British and Canadian coal supply, and that such a policy is both a social and economic necessity and in the best interests of the future of Canada.

That, the government should consider the advisability of placing a duty on coal from the United States to insure an all British supply for Canada and thus afford adequate protection to coal mined and coked under the British flag.

That, whereas coal is a necessity in effect equal to that of food, the government should consider the advisability of having it carried on

a preferential toll basis by the railways on the same basis as grain and flour, and of granting subsidies and subventions to this industry.

Mr. DUNNING: As you read the motion, Mr. Speaker, it was not as it appears on the order paper.

Mr. SPEAKER: Before the sitting opened I made some representations to the hon. gentleman to the effect that his motion was against the rules in so far as it committed the House, to begin with, to a tariff policy, and in the second place to certain freight rates. In consequence the hon. member agreed to amend his motion. It is quite customary to amend resolutions of which hon. members have given notice so as to conform with the rules of the House.

Mr. DUNNING: Could we be supplied with copies of the amended resolution?

Mr. SPEAKER: Yes. I may say that the change made was to the effect that the government should consider the advisability of carrying out the policy recommended. This had the effect of imparting to the resolution an abstract character.

Mr. CHURCH: The subject of this resolution has been before the House now for six sessions. It urges the adoption of a national coal policy. It has never been possible to make any headway with the matter because we are so hemmed in by rules and regulations derived from the middle ages that it is practically impossible to make any headway in solving the economic problems of this country. What we want at the present time is a Mussolini to try and solve some of these problems.

In my opinion we have the most impractical form of government of any country in the civilized world. It is impossible to make any headway in Canada to solve economic problems and give relief. We have spent $2,000,000,000 on a national railway and a merchant marine, and to-day we are absolutely at the mercy of a foreign country for our fuel supplies. When every pound of coal we use can be mined and coked under the British flag, whether it be from Wales or the maritime provinces or Alberta, we have a ready market for United States coal foisted upon the people of this country by the directors of the Canadian National Railways who are entirely responsible for their failure to solve this problem.

I do not see the Minister of Railways (Mr. Dunning) in the chamber to-day. He is the understudy, I might say, of the head of this system. After all is said and done, the coal question is 95 per cent a transportation problem, and after all these expenditures on a national railway and a merchant marine we find that we might just as well own nothing when the question comes to solving any of the economic problems of the country.

The first clause of the resolution reads:

That, in the opinion of this House, the time has arrived for Canada to have a national policy in relation to its coal supply and that no part of Canada should be left dependent on United States for such supply.

This principle has been adopted for six sessions by this House and nothing has been done by the government to give effect to it. The second clause reads:

That the government should immediately consider the initiation of an all British and Canadian coal supply, and that such a policy is both a social and economic necessity and in the best interests of the future of Canada.

This clause has been adopted now five or six times for this House and never carried out. The third clause reads:

That, the government should consider the advisability of placing a duty on coal from the United States to insure an all British supply for Canada and thus afford adequate protection to coal mined and coked under the British flag.

This clause of the resolution was adopted but never carried out. The only way in which this question can be solved is by adequate protection for coal mined in Alberta, the maritime provinces and Wales. The four native industries of Canada are the mining industry, the fisheries, agriculture and lumber, and they can be placed on their feet in this country only by a proper application of the gospel of protection, namely subsidies or subventions and bonuses. Although I come from the protectionist province of Ontario which votes Conservative, every time a resolution of this importance comes before the House we find that a large number of the members from that province absent themselves from the chamber. It is all very well to get up and support our national coal policy in the cities and towns of the province when the elections are on; but when they come to Ottawa—oh! what a difference to try and get action.

What is suggested in this resolution is that the principle of protection, subsidies, bonuses and subventions, should be applied to solve the problem of the coal industry in the maritime provinces and Alberta. The fourth clause of the resolution reads:

That, whereas coal is a necessity in effect equal to that of food, the government should consider the advisability of having it carried on a preferential toll basis by the railways on the same basis as grain and flour, and of granting subsidies and subventions to this industry.

This has been approved by two premiers, the premiers of Alberta and Ontario, and the problem will never be solved in any other way than by the gospel of protection. The United States could starve this country out of fuel in one winter. During a coal strike we are absolutely at the mercy of the people of the United States for a pound of coal. During one of the coal strikes in that country, Canada was exhibited to the people of the United States as a Lazarus sitting around the coal sidings of the United States railways begging for a few lumps of coal. That was a humiliating position for the people of this country to be in, and after we have spent $2,000,000,000 on railways we find the directors of the Canadian National Railways to-day folding their arms and saying that they will have practically nothing to do with the matter. If there were anything to test the size and ability of the Minister of Railways to administer his department it would be his ability to solve this matter which has been made a political football of by the directors of the national railways, by the railway commission, by the Minister of Railways and the government generally. This question has been referred to the railway commission. I am surprised that Your Honour has not ruled this motion out of order also on the ground that the question is before the judiciary. Any matter is not to be discussed here if sub judice before a police magistrate, a judge or court of record. The courts might as well take parliament's duties over. Is this a free parliament or is it not? Are we to sit here like a lot of rubber stamps for the directors of the national railways and have our front benchers run out of the chamber whenever an economic question like this comes up for solution? What are we sitting here for? Why are we elected? Do the people or the courts or the railway commission rule in this country? A year ago the minister said in this House that he would refer this question to the railway commission. What happened to the application? They made a political football out of it. They killed a whole year's time. They declined to give a hearing until a week ago. The Premier of Ontario had lawyers before the commission for the past year, and the Premier of Alberta also had lawyers before the commission. A proper application had been made but the railway commission fell down. The government of this country should reorganize that commission in the public interest, so that whenever a reference is made by the high court of parliament a special sitting of that commission should be held a week after the reference is received and it should take precedence over all other business. They should have heard the application of Ontario and Alberta and given a decision.

The national railways should agree to carry coal for $7 a ton. I am not criticising Sir Henry Thornton personally, but his action in coming over here and practically telling the people that, as regards the coal problem, they can stew in their own juice and that, so far as he is concerned, we can continue to buy coal in Alberta and pay the freight rate of $9 a ton. He might as well have said $22 a ton, because it would be just as prohibitive. The directors of the national railways are content that we should depend upon the United States and American coal barons for our coal supply. They are willing to see Canada continue in the future as it has done in the past to be virtually a Lazarus sitting at the feet of the Pennsylvania railways and coal barons waiting for a few lumps of coal. You will never get this question solved as long as the present board of directors are in office, as long as the present Minister of Railways is in office or as long as the present railway commission is in office. The Minister of Railways to-day has all his powers taken away from him by legislation. He has practically no functions, no duties to perform except to act as an understudy for Sir Henry Thornton and the directors of the Canadian National Railways, to introduce what bills they hand to him and to administer the affairs of the Newmarket canal and the Trent canal. The great powers that were in the hands of the Minister of Railways in the past have been transferred to the railway commission. The administration of the Intercolonial, the Grand Trunk, the Grand Trunk Pacific, and the other railways, has been taken from him and handed over to Sir Henry Thornton, and the board of directors of the national railways. The portfolio of railways, so far as any active functions are concerned might just as well be abolished.

What did Mr. Carvell, the late chairman of the railway commission say? He said practically that he did not believe the railway commission had any jurisdiction in view of the new Canadian National Railways acts, over the component parts of the Canadian National Railways or over that system. It is no wonder that even some of the good Liberals and Liberal papers are getting tired. The Globe, George Brown's own paper, is a good Liberal paper and it has not deserted the Liberal party. It is the Liberal party that has deserted the principles of George Brown and the Globe. The Globe,

which for years was and is the backbone of the Liberal party in Ontario, had this to say last Saturday:

Trifling with the Coal Rates

It is a year since the order in council was passed calling for a hearing by the Dominion railway board on the question of freight rates on coal from Alberta to central Canada. When at last the case came up on Thursday it developed that the parties interested did not have necessary statistics prepared. Adjournment had to be taken until June 7. If at that time a favorable rate is granted, coal from the western mines cannot be moved east before February of next year, which means two years from the date of the order in council. Thus the ponderous machinery of rate investigation drags itself along.

Possibly it has not been forgotten that an insistent demand for Alberta coal arose in Ontario during the course of the United States anthracite strike, when a temporary rate of nine dollars a ton was allowed. This, the railway experts contended at the time, was an irreducible minimum. There was no doubt in their minds about it. Presumably they were speaking from knowledge of statistics. Both Alberta and Ontario disputed the figures, but the railwaymen stood pat. Yet on Thursday representatives of both the C.P.R. and C.N.R. revealed the fact that they had no data available from which to present arguments, and that the necessary information could not be compiled in less than two months.

Did hon. members ever hear of such a thing, that in two years they were not able to compile the figures?

This looks pretty much like trifling with the whole question. Granted that the general freight rates question occupied much time, could not the railways have been prepared to meet the provincial representatives on Thursday if they were really anxious to do so? Are they of the opinion that delays and adjournments will push the coal question into the background until another strike brigs it to the fore? There seems no good reason for this, nor is there any reason for believing that the interested provinces are going to let the matter drop until they know what it should cost to lay western coal down in this province. The consumers here want to know, and the dealers want to know. If the cost is satisfactory it will be good business for the country to have this outlet for the Alberta product. Would it not be equally good business for the railways?

I say, Mr. Speaker, that the railway commission has allowed the two railways to trifle with the situation. For the past five or six years we have had a select committee of the House endeavouring to deal with the situation. They took the evidence of experts, and made their report to the high court of parliament, which showed that the seven dollar rate or less was a fair one, and practically no objection was raised to it. Now here we have a railway on which two billion dollars were spent, and we have special trains and private cars running all over the country, and thousands of cars sometimes empty at the head of the lakes in the slack season and we have very few cars operating between Alberta and Ontario to carry coal. Now, what is the position in Canada? The people of this country are looking for a Mussolini to arise in Canada and to solve some of our economic problems. I will read to the House what Mussolini has said:

[Mr. Church.]

My colleagues in the cabinet and the under-secretaries of states know that the government business must be handled with enthusiasm and promptitude. Our work must be intensive and productive. They know my requirements in this regard. They know that they cannot approach me unless their mission is one of government business. There is no time to joke. Everything must be to the point and must be worth discussing. Each usually has his business well-defined, and when he sees me, need stay but a few minutes. They have acquired skill in condensation which enables me to go quickly to the matter in hand and to settle it.

I am fortunately blessed with a faculty for quick decision which permits me to accomplish an immense amount of work. I cannot stand vacillating and procrastinating executives. Ministers of a professional type are useless as administrators. They take so much time for decision that the whole business of their department is delayed. This cannot be tolerated in any branch of my government. Ministers, before we came into power, deliberated and vacillated for years before putting into operation. We have created an aptitude for quick decision in our public affairs which, coupled with our intensive efforts, has achieved things not dreamed of before our advent to power.

Another paragraph in his remarks reads as follows:

We have settled our debts with England and America, stiffened Italian finance, strengthened the lira and now have consolidated the public debt by the launching of the Lictoral loan. For our sea commerce we built the Roma, the biggest ship in the Mediterranean service, and will build two new liners, Rex and Dux, the fastest in the world, 40 knots an hour, taking only four to five days from Italy to New York and seven to Buenos Aires.

Fascism constructed in two years the Rome-Ostia electric line, a project planned for twenty years, designed to give the people of Rome access to their own seashore. Fascism constructed the Apulia aqueduct to supply forty communes with an aggregate population of 3,000,000 with water; is building the longest tunnel in the world between Florence and Bologna—15 miles long—is completing the Rome to Naples direct line to reduce the running time by one-half, and undertaking numerous projects to be brought to successful consummation under Fascist initiative and drive.

He goes on to point out:

Government, to be good, must be efficient. It must achieve the greatest net result with the minimum of lost effort. If there be wastage of labour, duplication, overlapping or lack of co-ordination, then there are serious defects in the government machinery. There must be unity of policy, unity of responsibility and

unity of direction. Without these, government becomes a slipshod, haphazard, hit-or-miss business, able to continue only because it can demand tribute from the entire nation.

A private business must be efficient or die. It has no reserve on which to call unless it has created that reserve itself. It must sustain itself by its own merits. Its manager must avoid wastage, duplication, overlapping and must co-ordinate all the parts of his organization in a smooth-running machine. He is responsible and held to strict account for its success. He directs it with a single aim and single policy, his policy.

That is what this country wants to-day—a modern Mussolini. We require efficient men to manage our railways. People have put their money into the country and into the railways, and we want a board of directors who will not build up Canada for Americans, but will build up the country for Canadians. I have criticised the board of directors of that railway and the Minister of Railways in regard to the management of the concern and their failure to carry out parliament's orders to initiate a national coal supply.

Then we have had a committee of this hon. House which took hundreds of pages of evidence on the coal question every session, and what have they done? Have the railway commission carried out the orders of parliament? Parliament has adopted a resolution on four or five different occasions for a national coal supply. Has the board of directors of the railway given effect to it? Has the railway commission carried it out? Have they done anything to put in the seven dollar rate? No. They have carried grain and flour at a few cents a bushel, under the Crowsnest pass tolls, but when it comes to giving a rate for coal they decline to give it, and they make this question a political football. A day of reckoning to the railway commission is coming and also a day of reckoning for the board of directors of the Canadian National Railway.

I have here a letter from William Buchanan, a coal merchant of London. He has been reading statements in the press about the movement to establish coking plants for Canadian coal. He says that there are several coking plants in Canada, but very few of them are using their own coal. He also states that he is willing to put up a bond of $30,000 to guarantee the payment of all freight charges and the cost of all coal ordered from the province of Alberta. He says:

> This coal would be bought and sold by me and I would guarantee the quality of same and also the service to be the very best.

He sold 5,000 tons of Alberta coal in the London district and says it is good material.

I observe my hon. friend from Bow River (Mr. Garland) is present. He has taken an active part in this matter and I want to thank him and the representatives from Alberta for their assistance in this matter. I do not say it is the fault of the Minister of the Interior (Mr. Stewart). He had tried to do his part, but he has been handicapped, and by whom? By the board of directors of the Canadian National Railways. Sir Henry Thornton and his directors are content to have the people of this country hewers of wood and drawers of water for the Pennsylvania coal barons. The Canadian National Railways might as well have fixed twenty dollars a ton instead of nine, because nothing has been carried at the nine dollar rate lately.

I do not expect the government of to-day will do anything. They will do nothing. I have brought up this matter several times, and as long as I am in this chamber I will present the matter to parliament. The province of Ontario's application has been made a football of by the government. The Canadian National Railways have sold our merchant marine ships which cost a million and a half for a few thousand dollars. Many of these ships could be utilized for five months of the year. They could be converted into lake and ocean carriers. They could have brought coal from Wales as they brought it from the maritimes. They have brought 560,000 tons of coal from Wales and the maritimes this past season into the port of Montreal to save that port from a coal famine. I contend that if the board of directors of the National railways had any conception of their duty they would utilize those ships to bring coal past Montreal up to the head of the lakes. The national railways, in its turn, should have done its part to help the people of Alberta send their coal to Ontario and central Canada. The people of Ontario want Alberta coal. A united effort would result in mutual benefit to the people of both provinces. The Ontario government has had its representatives before the railway commission in an attempt to get the commission to deal with the subject for a year. I think it is the duty of the Minister of Railways to instruct the chairman of that commission that they hold sittings forthwith from day to day to hear the evidence which has been taken before the coal committee of this House and find a solution for this particular problem.

I have almost given up hope of getting anything practical accomplished in this country. Notwithstanding our various legislatures we are not a practical people. I believe the Canadian people are the most impractical in

the world—except in time of war. You can mobilize the transportation system of the country in time of war. Why cannot you do it in time of peace? Simply because this parliament seems to have no jurisdiction over the president and management of the Canadian National Railways, who are in law and fact beyond our control evidently.

In solving this problem I think we can apply the principle of protection as did Mr. Stanley Baldwin to put the native industry of the old country on its feet. He applied there the principle of bonuses and subventions. I think a transportation rate of from $6 to $6.50 a ton in trainload lots should be given by the Canadian National railways. This should not be charged, or any part of it, to the provincial governments of Ontario and Alberta. This House very readily voted $35,000,000 to bondholders of the Grand Trunk Pacific without requiring them to prove their claims in the Exchequer court; we ignored the Exchequer court and the railway commission; but when it comes to giving a subvention of a few thousand dollars, oh my, what a difference!

This is the case in a nutshell. Are the people of Canada after all these expenditures on railways and on our government merchant marine to be hewers of wood and drawers of water for the coal millionaires of Pennsylvania? You will never solve this problem until you take it out of the hands of the railway commission and Sir Henry Thornton and have parliament compel the board of directors of the Canadian National Railways to give a proper rate for the transportation of this particular commodity. Parliament should amend the Railway Act. There should be special rates granted for the movement of coal just as there are for the movement of grain and flour. I am glad that I have a new supporter for my views of the past six years in the person of the Premier of Ontario, Mr. Ferguson. I am very glad to have his support for the policy of protecting our four great basic industries—mining, lumbering, agriculture and fishing—and that they should be given preferential rates on our railways. This is not the first time that the railways have given preferential treatment to certain commodities. Notwithstanding what the Minister of Railways said the other night, I can prove every statement I have made. I proved everything last June before Sir Henry Thornton in the committee on railways and shipping.

The minister made statements the other night here which he cannot back up. I never referred to the Chateau; I did to the Vancouver hotel. I referred to special tolls and special rates on certain basic products. I challenge a searching inquiry into this whole railway. When the railway commission has fallen down it should be reorganized, and if the board of directors of the national railways cannot solve this problem, the sooner we have a new board of directors the better.

In conclusion, Mr. Speaker, let me say that I am very much disappointed that nothing has been done in the past twelve months. Notwithstanding that this is the most important problem before us to-day we are just in the same position as we were two or three years ago.

Mr. HAY: Might I ask the hon. gentleman a question for information? He has dealt with the matter largely as applying to the Canadian National Railways. I wonder if he has any figures of the tonnage drawn by the competitive transcontinental line, the Canadian Pacific? It would be interesting to the House to know the relative tonnage of coal drawn by these two roads from eastern and western Canada to Ontario.

Hon. CHARLES STEWART (Minister of the Interior): Mr. Speaker, this is a hardy annual, and we are indebted to the hon. member for Toronto Northwest (Mr. Church) for its periodical introduction. I think his resolution would have been better worded had he made it apply to the railway commission. A national coal policy is a very vital question, and I may point out to the House that the government has given it a great deal of thought and in 1922 appointed a board to study it. That board has been doing so almost continuously since that time with a view frankly to avoid the imposition of a duty, as suggested by my hon. friend. I may say that he did not hold that opinion at one time, as quotations from Hansard will show. It was felt, just as my hon. friend has stated, that as coal was as important as bread to the consumers of this country, no undue disability should be placed upon it to enhance its price. Not only that, but the most earnest advocates of the bringing of coal from Alberta have never asked that any subvention be applied towards the cost of its haulage, but rather that the real cost of the transportation of this commodity be ascertained and that a rate based on that cost be applied over the two railway systems, the Canadian Pacific and the Canadian National.

Now, as I say, we have made some study of the question, and my further remarks will diverge somewhat from the clear definition of the motion itself, nevertheless I think it important that they should be put on Hansard for the information of every member of the

House of Commons who is interested in this question. For that purpose I have prepared the following statement:

In dealing with the question raised by the hon. member for Toronto Northwest, it is necessary that consideration be given to certain fundamental facts which more or less control the situation as it exists in Canada to-day. It is evident to all who have studied the political and economic geography of the world that nature has not distributed her resources in raw materials in such a way as to meet the needs of all the nations of the earth or to fully meet their economic requirements. That condition prevails in regard to food supplies, forest resources, mineral resources and all other raw materials. In other words, no nation is so bountifully provided by nature with all raw materials to the extent that she is entirely self-supporting and independent of all other nations.

The political boundaries of most countries were defined long ago; long before the demand for raw materials became as acute as it is to-day. These boundaries were defined to conform to physical features and on account of consideration of national defence rather than with the object of embracing supplies of those raw materials that have now become so essential to the economic life of a people. And when you get this more or less accidental location of international boundaries combined with the extremely sporadic distribution of raw materials you get a condition which is the cause of uneasiness and even alarm among those nations lacking certain essential resources.

We see this condition very well exemplified in the case of minerals. In all cases the distribution of mineral resources over the face of the earth is extremely erratic. In some cases the occurrence of important mineral supplies is so limited as to constitute natural national monopolies of that mineral.

Take the case of nickel—a highly important industrial metal. We find nickel only in Canada and in New Caledonia, but such a large share of the nickel resources lies in Canada that we practically have a national monopoly of that mineral. Chile had a monopoly on nitrate supplies until the discovery was made that nitrogen could be obtained from the air. Potash, another important mineral used as a fertilizer, occurs mainly in Germany and Alsace; asbestos in Canada and Rhodesia; mercury only in Spain, and so on.

When we come to coal supplies we find the conditions somewhat better, for nature has been more generous in distributing her coal resources over the face of the earth. Even in this resource—one which is perhaps the most important of all mineral resources—we find this condition, namely, the United States with fifty per cent of the world supply, China with about thirteen per cent, Canada with about seventeen per cent and the whole of the rest of the world with the small balance remaining. We find also many countries, some of them highly developed industrially, with little or no coal resources at all. Norway, Sweden, Finland, several of the African and most of the South American countries have no coal resources at all and such countries as Italy, Spain and other European countries are largely dependent upon outside sources of supply.

The result of this condition is that no country, with the exception of Great Britain and possibly Germany is wholly independent of foreign sources of coal supply. Even the United States with fifty per cent of the world supply imports a considerable quantity of coal from Canada into the northwestern states, and Australian coal is marketed in California. This condition, namely, the erratic distribution of coal fields is the root of the coal problem of Canada.

The question of how to overcome the irregular distribution of raw materials has been considered by the economists of many nations and has been raised and discussed by the League of Nations in Geneva. A committee of the league, after giving careful consideration to the various aspects of this situation, has come to the conclusion that the most feasible means of overcoming the disabilities under which various nations labour through lack of supplies of essential raw materials is by the adoption of complete free trade in all these materials. They recognize, however, the difficulties in the way of persuading all nations to adopt this policy, particularly those nations most favoured by nature with an abundance of these materials.

If we look at the coal situation of the world we find that three countries dominate the coal trade, namely, United States, Great Britain and Germany, because the great producing coalfields of the world are situated within their boundaries. They produce normally over 80 per cent of the total world production and, in addition to being the chief consuming countries, they are the countries having the largest exportable surplus. The chief deficit countries, on the other hand, are France, Italy, Holland, Switzerland, Austria, Spain and the Scandinivian countries on the east of the Atlantic; and Canada, Brazil, Argentine and other South American states on the other side. Of the exporting countries

Germany normally dominated the land trade of central Europe, while British coal controlled the maritime trade of the Atlantic, providing fuel for the countries bordering the North Sea, Baltic, Mediterranean and the Atlantic coasts of Spain and France. A small trade is done with the South American countries. United States sends the major portion of her exportable surplus to Canada and the remainder goes to Central and South America and only a small portion crosses the Atlantic, mainly to Italy.

Such are the broad features of coal production and movement in the world. If we were to go into the question of the zones controlled by the different producing fields we would find that the controlling factors for each field are:

(1) Geographical location,
(2) Cost of production, and
(3) Quality of coal.

Governed by these factors each field under normal conditions of trade has its own recognized and fairly well defined market and this market is determined not by proximity to the coal field, but primarily by the cost of transportation, and only to a minor extent by political boundaries. For example, under present freight rates, it costs no more to carry coal three thousand miles across the Atlantic than it does to transport it two hundred miles by rail over here. This is what gives Great Britain, whose coalfields are only a few miles from the sea, so much wider range for her coals than the United States whose coalfields are two hundred to four hundred miles from the sea. Fluctuation in costs of production, changes in transportation rates, or industrial disturbances, will cause some shifting of the zones controlled by each field, as was the case when American coal went to Great Britain during the strike of 1921 and again during the recent strike in 1926; and when British coal came to the United States in 1922. But unless substantial tariffs are applied against certain coals, political boundaries do not affect the shifting of the market zones.

A study of the coal trade of the world indicates clearly that except as it may be affected to a limited degree by tariff barriers, coal from each field moves freely into definite markets which are determined primarily by the cost of transportation, to some extent by cost of mining and the quality of coal, but only slightly by political boundaries.

An appreciation of this fact makes it easy to understand why we are importing coal from a foreign country when we have an abundance of our own. It is one of the consequences of the uneven distribution of the natural resources of the earth and of laying out political boundaries in defiance of natural conditions.

An inspection of the tariffs of the three largest coal-producing countries of the world shows that they place coal in the duty-free list. In the case of Great Britain and Germany there is no import duty on coal, and in the United States coal is in the duty-free list. but with a proviso that on coal coming from any country which levies a duty on United States coal an equal duty will be levied on coal imported into the United States from such country. For example, United States duty on Canadian coal is determined by the duty which Canada imposes on United States coal.

Although France is a deficit country as regards coal requirements there are in that country important coal mining industries. The French tariff of 1910, which is the basic tariff still in force, imposed a duty of 12 centimes per hundred kilogrammes on coal. With the exchange value of the franc at 19.3 cents Canadian money. which was its value in 1910, this was equivalent to about 25 cents Canadian money per metric ton of 2,240 pounds. The original rate of 12 centimes is now increased by a co-efficient of 1.7 making 20.4 centimes. With the franc at its present exchange value of four cents this is the equivalent of about eight cents per metric ton.

An instance of a high tariff on coal is found in Spain, a country whose coal requirements are not large. In the Spanish first tariff—higher tariff—there is a duty of 22.50 pesetas per metric ton on all grades of coal. The corresponding rate under the second tariff is 7.50 pesetas. These are gold pesetas. The equivalent in Canadian money per metric ton would be about $4.35 first tariff. and $1.45 second tariff. There is a conventional rate to England of four pesetas per metric ton on pit coal. that is, about 73 cents.

Italy, a fairly large importer of coal, imposes no duty. In Canada we admit anthracite, lignite and coke free of duty. The general tariff on bituminous coal. all grades, imposes an import duty of 50 cents per net ton. On bituminous coal imported for the manufacture of coke by operators of by-product coke ovens. a rebate of 99 per cent of the duty is allowed. Under the provisions of the British preferential tariff bituminous coal coming to Canada direct from those British countries or possessions admitted to the benefit of the British

preferential tariff in Canada, is subject to an import duty of 35 cents per net ton. The intermediate tariff. which is a conventional tariff, provides for a duty of 45 cents per net ton on bituminous coal coming from countries to which the benefits of such intermediate tariff shall have been extended. Very little, if any, coal enters Canada under the provisions of this tariff.

A study of the underlying fundamentals of Canada's fuel problem takes us back a considerable number of years to the time when American anthracite was in the initial stages of being established as a staple household fuel in certain parts of Canada. As far back as 1880 we find that Canada was importing half a million tons a year of this coal. Although it was probably not recognized at that time that the seeds of an acute fuel problem had been sown, subsequent events prove that such was the case. As our population increased, importations of American anthracite into the cities and towns of central Canada had corresponding growth. The furnace equipment installed in the homes was adapted to the use of this coal, and considering the high degree of efficiency of anthracite as a household fuel, particularly when a better quality was coming into Canada than is the case to-day, it was only natural that the people using it became prejudiced in its favour. A large percentage of the population did so to the extent of believing it to be the only suitable fuel available for warming the home. The situation developed into one of dependency upon a single source of supply, and to accentuate the position this was a monopolistic source in a foreign country, although a very friendly one.

The coal strike in the United States coal fields in 1902-03 when supplies to Canada were interrupted was a serious warning to us of the precariousness of our fuel position. Then there were intermittent interruptions, though lesse serious, owing to freight embargoes and other transportation tie-ups in the United States, but it was the strike in the anthracite fields in 1922, synchronizing as it did with the railway shopmen's strike, that was the event that brought us to a true realization of our position. As an additional incentive for us to seek fuels that would replace American anthracite, unofficial intimation had been received from the United States Bureau of Mines that owing to the limited life of the Pennsylvania anthracite fields, Canada would have to work out her own solution for replacing the anthracite now imported from the United States. In recent years several bills have been introduced before the United States congress advocating an embargo on the export of anthracite to Canada. These did not pass, but they were an indication of growing uneasiness over the anthracite supplies in the United States.

Those were the events, in summary, which aroused public attention to the extent of making the subject one of national interest and which prompted the government to institute action leading to a sustained effort to satisfactorily solve this fuel problem.

We have also, in connection with our own coal mining industry, a number of problems relating to the industrial situation and to the distribution of Canadian coal. Some of these, however, are of local importance while others must be met and solved by the industry itself.

The coal industry of Vancouver island, for example, is faced with a problem brought about by the competition of cheap fuel oil from California, Mexico and Peru.

Alberta's problem is to extend her markets to absorb the production she is capable of making and so permit of more uniform production throughout the year. The capacity of her mines is estimated to be from ten to twelve million tons per year, while her present markets will absorb only about six million tons. It appears as if Alberta will have this problem with her always because of her enormous resources and the ease with which new mines can be opened. She will be constantly striving to secure new markets for the production she is capable of making unless steps are taken to prevent the opening up of new mines that are not necessary to supply existing demand. This is a problem arising out of a superabundance of coal resources. The provincial government has already met, with distinct success in extending the markets for Alberta coal.

In Saskatchewan there is the problem of the utilization of the great lignite beds.

In New Brunswick the industry is faced with a problem of how best to mine their thin seams and make the greatest possible recovery.

In Nova Scotia there are problems of markets, of submarine mining and of adjusting production to meet present and potential demands of our eastern provinces. These are some of the internal problems with which we are faced, and in striving for a solution we naturally look first to the underlying causes.

As a part of the process generally termed fluctuation in the realms of trade there is a constant succession of action and reaction. Periods of prosperity, with business expansion and rising prices, are followed by periods of depression with falling prices and deflation of

business. Abnormal demands for all sorts of manufactured goods arise at times, and manufacturing plants are enlarged to meet these peak conditions. Consequently when a reaction sets in and the demand falls off we have to face conditions of over production and the resultant unemployment in industrial areas.

The coal mining industry, as well as industries having to do with manufactured commodities, does not escape the penalties following conditions of over-production. In the case of our coal mining industries in Canada, however, over-development of the mines and capacity to produce far in excess of normal market requirements cannot in all respects be attributed to the rise and fall of the trade barometer.

In the case of Alberta the ease with which new mines can be opened has been one of the chief causes of over-development. An inspection of figures relating to the number of mines opened, and abandonments, will show that nearly two-thirds of the mines have been abandoned.

In the bituminous field over-development as regards number of mines is not so great, but the aggregate present capacity is about double the maximum output yet achieved. In this field there seems less danger in opening new mines because of the great expense involved.

In the sub-bituminous mines the number of operating units is likewise not great, and the rated capacity of these mines on the basis of 150 days operation per year does not show a very great excess over the output achieved, but on a full year of 300 days operation the output would, like that of the bituminous mines, be more than double.

In the lignite field, the over capacity of the present mines on a full year basis is between two and two and a half times the market requirements. It is in the lignite field that the over-development in numbers rather than in capacity is such a marked feature. Under the present system of marketing the lignite mines supplying the domestic trade are subject to sharp peaks of demand, and for a few weeks during the winter season work to capacity. This condition seems to be caused by the dealer and consumer buying only for immediate needs. Although such a system as this obviates the necessity for stocking coal and may be in itself an economical method of distribution, the apparent advantages are offset by too many disadvantages to the coal mining industry of the province.

In the case of Nova Scotia, over-capacity of the mines as relates to present market requirements is largely attributable to a set of unusual circumstances arising in connection with the Great war. In the years 1912 and 1913 before the extra demands of the war had appeared Nova Scotia coal mines were producing from seven and three-quarter million to eight million tons of coal per annum. But in 1917 when there was a greatly increased demand for coal throughout the world, production in Nova Scotia had fallen off to about six and a half million tons. This was mainly due to labour shortage occasioned by the absence of so many miners who had enlisted for overseas service. Among these men were many skilled miners who occupied key positions in the mines and whose positions could not be filled. As a consequence of this and on account of ships being requisitioned for transatlantic service, a large part of the St. Lawrence trade was lost.

I wish to pass on now to what is the apparent cost of replacing United States coal, if I may do so without tiring the House. Over the years 1923-24-25 the average annual importations of American anthracite into the maritime provinces, the Quebec city district and Montreal district aggregated 1,276,425 tons. It is estimated that this imported coal could be replaced by British anthracite and coke manufactured from maritime province coals, provided that a market could be found for the surplus gas which is the most important by-product of the coking process. This replacement would absorb the surplus British anthracite accruing from our estimated importation of 600,000 tons, and would draw on maritime province coal production to the extent of 1,465,000 tons of coal.

Having regard to the normal consumption of maritime province coal, this extra tonnage for coking purposes would be applied to the surplus coming from the estimated 10,000,000 ton production. On this basis, therefore, and after dealing with the domestic requirements of the maritime provinces, Quebec city and Montreal districts, there would still be a surplus of 2,700,000 tons of maritime coal to be applied elsewhere.

Coking plants already in existence in Ontario and Quebec are importing about 1,500,000 tons annually of coking coal from the United States, and supplies to these plants would have to be allocated from the surplus of 2,700,000 tons of maritime coal, leaving 1,200,000 tons as a remainder.

Giving consideration to the fact that the extra production from the maritime province mines must necessarily be nearly all suitable for the manufacture of domestic coke, this remainder of 1,200,000 tons will be applied against replacement of some 200,000 tons of United States industrial coal imported into

the maritime provinces, 227,000 tons imported into the Quebec district and about 2,000,000 tons imported into the Montreal district. Together with 1,000,000 tons of British bituminous coal, the balance from the maritime provinces would fall short of filling these requirements by about 280,000 tons, which means that the discrepancy would have to be made up by bringing that amount of Alberta industrial coal to Montreal.

Now, the significance of this distribution of supplies is that, apart from the maritime province coals allocated to coking plants in Ontario, there would be no supplies of maritime coal available for the districts west of Montreal. It may be taken, therefore, that Alberta coal would be required for both domestic and industrial requirements in the area from Ottawa to the head of the lakes. In arriving at figures showing the cost of this replacement scheme. the calculation has been based upon a selling price of coke as $2 per ton less than that of anthracite, and also that notwithstanding an increase in the tariff to the point of excluding United States coals, the prices of Canadian coals in eastern Canada would not rise above normal market levels. Provided that such would be the case. the replacement of United States coal in the maritime provinces, the Quebec city district and Montreal district would effect a saving to the public of $1.300.000.

Mr. GARLAND (Bow River): Whose report is this?

Mr. STEWART (Edmonton): It is a report from the Fuel board.

Mr. GEARY: Are copies of the report available?

Mr. STEWART (Edmonton): I will have copies of the report placed on the table for the information of members. I am not reading the report in its entirety because it is somewhat lengthy.

Mr. GEARY: I thought you were reading it all.

Mr. STEWART (Edmonton): The whole report will be made available to members; I will table it.

The Toronto district, on the other hand. which would require 2,348,000 tons of Alberta domestic coal. and 4,176,000 tons of Alberta industrial coal, would show an extra cost to the public of $25,300,000. Extra cost to the public would likewise result in the other districts comprised of Ottawa, Kingston, North Bay, Windsor, Sault Ste. Marie and head of the lakes the aggregate of the extra cost amounting to $32,000,000. Summing up the total cost of replacement, the net result is an annual extra cost to the public of $56,000,000. There would also be an annual loss in customs revenue amounting to $7,000,000. While this would be a high price indeed to levy on the coal-consuming public, let us consider what would be the advantages by way of compensation.

It is easy to appreciate the advantages that would be derived from a complete rehabilitation of the coal mining industry in the maritime provinces. The greatly increased production which would probably result in the mines working to capacity throughout the year would be of utmost importance to the industry, and indeed to the other lines of trade in those provinces. Increased demands of the St. Lawrence markets, particularly for coking coals, would remove many of the contentious issues that are now connected with banking and disposal of slack coal. A plan which would make it practicable to mine and bank coal in the winter for transportation by water during the season of navigation would be the means of overcoming the problem of unemployment during the winter months, and a difficulty in the Nova Scotia fields is to keep winter employment regular.

The advantages to the coal mining industry in the maritimes could be summed up under the statement that there would not only be a complete rehabilitation of the industry in those provinces, but it would probably enjoy a prosperity greater than has been the case in its history. The coal mining industry in Alberta would likewise benefit. The mines producing domestic coal would send down to Ontario nearly three and a half million tons annually, which would represent an increase of about one hundred per cent in the present combined production of the lignite and sub-bituminous mines. The bituminous coal fields would send down about ten million tons which would represent an output nearly three times that of the highest yearly total yet achieved. As the rated capacity of the Alberta bituminous mines is about double the present output, this greatly increased demand would probably necessitate the opening of new bituminous mines.

Unemployment periods in Alberta coal fields are perhaps subject to as much if not more frequency than is the case in the maritimes. The great number of mines in operation and peak demands for coal are the very essence of unemployment periods, as well as tending to high cost of production. While it is recognized that there would be difficulties connected with the steady transportation of coal over the long haul to Ontario throughout all seasons

of the year, the stimulus to conditions in Alberta should put the industry on a well sustained basis.

Then there is consideration of the advantage to be derived from the annual diversion of some $75,000,000 or $80,000,000 from United States to Canadian channels of trade, the advantage being in connection with keeping this money in circulation within our own country rather than sending it abroad. Also, we have frequently heard expression of advantages that would accrue from the transfer of the source of supply of a large part of our coal requirements, from the United States to our own coal resources within the Dominion. The contention has been that such a procedure would remove our dependency upon neighbourly goodwill and the uncertainty of industrial peace in the United States coal fields. While in itself this would appear to be a desirable condition, another view can be taken of the situation; one that has to do with the conservation of our natural resources. Even allowing for the immensity of our coal resources, we are perhaps a little prone to measure the value of such things in terms of our own lifetime. Recent developments in low temperature carbonization processes indicate immense possibilities for the utilization of coal in the recovery of motor fuels and oils. In the face of the enormous and increasing consumption of petroleum products together with the rapid exploitation of the world's known oil reserves, the day when we shall turn to coal to supply our oil requirements may be nearer at hand than is readily appreciated. In the meanwhile Canada is not dependent upon the United States nor upon any other country as regards actual coal supplies. Our importations of coal are for economic reasons.

Probably the greatest disadvantage that would result from the institution of this replacement policy would be the annual levy of some fifty-six million dollars owing to increased price of coal to the consuming areas in central Canada. First of all we must consider what amount the tariff must be raised in order to exclude United States coal. It has been demonstrated that Ontario would have to bring coal from Alberta, and that the cost of industrial coal from Alberta would be $10.75 or $11 per ton laid down in Ontario, as against $5 to $7 American coal, and the bulk of the sales of American coal are closer to the $5 figure. The import duty on industrial coal, therefore, would have to be raised to approximately $6 per ton. The lowest effective duty on foreign anthracite and coke would probably have to be finally determined by experiment stages. Based on the freight rate mentioned, I may say that I did not include that freight rate. This calculation is based on a $7 freight rate from Alberta. The information will, however, appear in the report; I was unable to take the time to incorporate it in my statement to-day.

Mr. ADSHEAD: I suppose you are coming to the end of the report.

Mr. STEWART (Edmonton): Yes.

Mr. ADSHEAD: Are the possibilities of peat available for supplying the needs of the central provinces taken into consideration?

Mr. STEWART (Edmonton): The report takes into consideration all sources of supplies.

Mr. GARLAND (Bow River): How much is available for sale in Ontario?

Mr. STEWART (Edmonton): Not more than 25,000 tons at any time.

Mr. GARDINER: Is there anything in the report to show the importations of coal from the maritime provinces by the central provinces?

Mr. STEWART (Edmonton): I think all such matters are dealt with in the report, as well as the exportations to the United States. Based on the freight rate mentioned—and the price mentioned was $7 a ton—Alberta domestic coals could be laid down in Ontario at a cost lower than that of American anthracite, but taking the factors of heating efficiency of the two fuels into account, as well as those of storage, the price at which the Alberta product would permanently hold the market could only be determined by actual demonstration. In the case of coals for coking purposes, there are also various factors to consider. The situation is complicated owing to the varying distances of our Ontario coke plants from the Nova Scotia coal fields and the requisites necessary in coals for the manufacture of domestic coke. To exclude American coals for this purpose, the duty would probably amount to at least $2.50 per ton. Take the effect of this increase of duty on industrial coal. It would immediately place the maritime province coal operators in a monopolistic position and enable them to fix a price, practically double the present price, which they would be in a position to demand and which the consumers in central Canada would have no alternative but to pay. They could also adjust their prices in the maritimes to the new market conditions and thus impose an increase in the annual fuel bill to the people of those provinces.

Mr. GARLAND (Bow River): I suggest there is a contradiction in the report. In a previous part of the report it was stated quite clearly the price would not be raised by virtue of the imposition of a protective tariff. Now it is alleged that there is a provision by which the price would be doubled.

Mr. STEWART (Edmonton): There must be some mistake. I did not so read the report. The fact that if a duty was imposed the price would be increased has, I think, been made apparent throughout the whole report.

The major portion of the burden of the price increase on industrial coal would fall on the railways. The Canadian National and Canadian Pacific railways are together using about 3,800,000 tons of United States coal per year, most of which is consumed on locomotives operating in central Canada.

The steel industry in Canada has to meet severe competition from other countries. A higher cost of coal or its derivative coke, would tend to increase the difficulties of meeting this competition in the case of steel companies who are not proprietors of coal supplies.

Generally, the increased cost of industrial coal would increase cost of production of manufactured goods wherein coal is used in the manufacturing process. This would probably be productive of a movement for more protection for the manufacturing industries, and hence a cycle of tariff revision.

In seeking remedial measures for the domestic fuel situation, the Dominion fuel board has encouraged the introduction of a variety of competitive fuels for supplying the needs of central Canada, the object being to secure a surety of supply at reasonable prices. In these coalless areas of central Canada, the only natural fuel, apart from the wood fuel resources, is found in the peat bogs. These peat areas are very extensive and although the use of peat has not achieved much commercial success up to the present time, the fuel board is convinced of the future importance of this fuel as a substitute for coal during the fall and spring months, but the board does not recommend it as a substitute for coal during the severe winter months.

With the permission of the House I will lay on the table a copy of this report, which is very comprehensive, covering the fuel situation in Canada. It does not advocate the imposition of a duty. It does not advocate the payment of bounties or subsidies to the railways. It recommends simply the development of a reasonably national policy. The report goes on to show that we have in a very large way reduced importations from outside and foreign fields for our coal supply. For example, in 1923 we were importing 5,000,000 tons of anthracite. In 1925 we imported just about 3,000,000 tons or a reduction of 2,000,000 tons. Therefore I say that we are in a very large way rapidly developing a national coal policy in Canada.

At six o'clock the House adjourned, without question being put, pursuant to rule.

Thursday, February 17, 1927

The House met at three o'clock.

PRIVATE BILLS

EXTENSION OF TIME FOR PRESENTATION

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

That whereas petitions for private bills could not be received nor private bills presented between December 15, 1926, and February 8, 1927, owing to adjournment of the House during that period, resolved that the period of time limited by the rules for such purposes be so extended as to give such petitions and bills the same period of time for presentation as if the adjournment had not taken place.

Mr. LEON J. LADNER (Vancouver South): May I ask the Prime Minister if this motion will likewise afford us days on which private bills may be brought forward?

Mr. MACKENZIE KING: My motion applies to all private bills.

Mr. SPEAKER: This motion is based on the report of the chief clerk of the Committees and Private Bills branch as follows:

If some such motion is not made private bills legislation will be entirely held up this session as,—

Time for filing private bills expired December 1;

Time for receiving petitions for private bills expired January 19;

Time for presenting private bills expired February 3.

Motion agreed to.

NATIONAL COAL POLICY

MEMORANDUM PREPARED BY DOMINION FUEL BOARD

Hon. CHARLES STEWART (Minister of the Interior) moved:

That five hundred copies in the English language and four hundred copies in the French

language of the memorandum from the Dominion Fuel Board in connection with an all Canadian and British fuel supply laid on the table of the House on February 16, be printed forthwith, and that rule 74 in relation thereto be suspended.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

GOVERNMENT TELEGRAPH LINES—NORTHERN ALBERTA

Mr. KENNEDY:

1. Has a survey been made of a proposed telegraph line from, (a) Athabaska to Fort Vermilion, (b) Grouard to Fort Vermilion, (c) Peace River to Fort Vermilion?
2. If so, what is the estimated cost and mileage of each of these lines?

Hon. Mr. ELLIOTT:

1. (a), (b) and (c)—Yes.
2.

Estimated cost	Mileage
(a) $200,000	389 miles
(b) 135,300	316 miles
(c) 125,000	295 miles

POSTMASTER AT RATHBURN

Mr. McGIBBON:

1. Was one J. J. Morris, postmaster at Rathburn, dismissed by the present government?
2. If so, who recommended dismissal, and on what charge?
3. Were there any charges against the said Mr. Morris, (a) of business incompetence; (b) political activities?
4. If so, by whom were they made?
5. What was the salary of said postmaster?

Hon. Mr. VENIOT:

1. Yes.
2. Government candidate for constituency. (a) Political partisanship. (b) Unfavourable site.
3. (a) No. (b) Yes.
4. Government candidate for constituency.
5. Salary $85.—Allowance $20.

THE CHINESE SITUATION

Mr. BLACK (Yukon):

1. Is Canada contributing to the expense of protecting Canadians in China during the present disturbances?
2. If so, how is Canada so contributing and to whom is the contribution made?

Mr. MACKENZIE KING: Mr. Speaker, the hon. member for Yukon asked a very similar question to this a day or two ago, and I replied to it in a careful statement which appears in Hansard of February 10, 1927. That statement contains the only answer that I think I should make to his present question.

Mr. BLACK (Yukon): The answer to which the Prime Minister refers is in no sense of the word an answer to the question now on the order paper. That statement was general in its nature, covering Canadian policy on certain foreign affairs, but there was nothing in it that could be considered a reply to numbers one and two of question 12, which seem to be perfectly reasonable questions capable of being answered.

Mr. MACKENZIE KING: Both questions relate to the present situation in China. I have given to the House the answer, which in the opinion of the government, should be made to all such questions, and I intend to adhere to that answer in respect to this particular question or any other of a similar character which may be asked regarding the Chinese situation.

Mr. GUTHRIE: These are questions which are very definite and distinct in regard to a matter of the gravest importance. The first question can be answered simply yes or no; while the second is dependent upon the answer given to the first. Surely my right hon. friend will see the reasonableness of the request. The statement which he read to the House a day or two ago does not cover either of these questions. If for any special reason the Prime Minister desires not to be interrogated upon these points he should inform the House what that reason is, but the questions are so pertinent and so easy of answer that I cannot understand why the government should hesitate.

Mr. MACKENZIE KING: I have made the answer which I desire to have recorded in reply to this question.

QUESTIONS PASSED AS ORDERS FOR RETURNS

HUDSON BAY COMPANY'S LANDS

Mr. KENNEDY:

1. Has the Hudson Bay Company acquired land from the Dominion of Canada in the Peace River or Grande Prairie land districts?
2. If so, (a) what lands; (b) under what authority or right have such lands been acquired; (c) what was the date or dates of the transaction or transactions?

GOVERNMENT SALES TAX—ARREARS

Mr. ROWE:

1. How many individuals or companies are in arrears of more than one month in the payment of sales tax to the government?

2. What is the largest amount owing to the government by any of these firms?
3. How long has this amount or a portion of this amount been overdue?
4. In how many cases has the government accepted less than the amount owing in settlement of claims for sales tax, through the winding up, financial difficulties or disappearance of firms and individuals in arrears in their sales tax payments?
5. What is the largest amount of such loss to the government, and what is the total amount of revenue so lost?

ONIONS FROM HOLLAND

On the Orders of the Day:

Mr. E. J. GOTT (South Essex): I desire to ask the Minister of Agriculture (Mr. Motherwell) certain questions in reference to a telegram I have received from Leamington under date February 17:

You are probably aware that there was a fair amount of onions carried over from last year in storage here in a warehouse erected by the present government. You may also, be interested to know that there is a shipment of onions on the way to Montreal from Holland which is supposed to arrive some time the end of this week. Will you please give us some detail relative to this or any other shipment en route or contemplated in the near future of which parliament is aware.

I want to ask the Minister of Agriculture the following questions: 1. Is there a shipment of onions on the way to Montreal or any other part of Canada from Holland, Bermuda, Spain or elsewhere, and which is expected to arrive in the near future? 2. What amount of onions was carried over from last year in storage at the new government warehouse at Leamington, erected under the administration of the present Minister of Agriculture? 3. Was it not the intention of the Department of Agriculture in erecting this warehouse to protect the onion growers from such importations?

Mr. SPEAKER: The hon. member should put his question on the order paper.

NATIONAL COAL POLICY

STATEMENT BY FUEL BOARD AS TO COST OF INCREASED DUTY

On the Orders of the Day:

Mr. E. J. GARLAND (Bow River): I wish to direct the attention of the Minister of the Interior (Mr. Stewart) to a heading in the Ottawa Journal with reference to the address he gave in the House yesterday in the course of which he read the report of the fuel board. In that report there occurred the following words:

Summing up, the total cost of replacement—

of coal industrial as well as domestic in the central provinces, would mean—

—an annual extra cost to the public of $56,000,000.

The heading in the newspaper reads:

Would involve extra expense of 56 millions.

Is there any suggestion that the movement of Alberta domestic coal would cost this sum, or is it not true to say that the figures given by the fuel board refer to the increase in price of the fuel as a result of an increased duty in order to keep out importations of all coal?

Hon. CHARLES STEWART (Edmonton, Minister of the Interior): The report refers distinctly to the prohibition of the entry into Canada of coal of all kinds.

Mr. GARLAND (Bow River): And has no reference whatever to the shipping of Alberta coal?

Mr. STEWART (Edmonton): No.

MANITOBA PAPER COMPANY

On the Orders of the Day:

Mr. G. R. GEARY (South Toronto): Has the government made a contract with the Manitoba Paper Company for the sale of pulpwood in the province of Manitoba and, if so, does the contract contain a clause with regard to the selecting of wood? Further, if such a contract has been made, will the papers be tabled?

Hon. CHARLES STEWART (Edmonton, Minister of the Interior): I can answer the first question by saying yes. As regards the other request I would advise my hon. friend to ask for a return in order to have the contract laid on the table. Full particulars could then be given.

THE CHINESE SITUATION

On the Orders of the Day:

Mr. J. S. WOODSWORTH (Winnipeg North Centre): A despatch from Geneva reads:

Geneva, Feb. 16.—The Chinese delegation announced to-night that it had sent a note to Secretary General Sir Eric Drummond, of the League of Nations on instructions from the Peking foreign office, demanding withdrawal of the British order to send troops to China.

The note included a copy of Peking's earlier protest to Great Britain against the despatch of the British defence force as a violation of the Washington agreement and of article 10 of the covenant of the league, binding members of the league to protect the territorial integrity and political independence of fellow members.

The note insisted that the Chinese forces were capable of maintaining order in Shanghai, and asserted that the presence of troops would lead to complications.

Under article 11 of the treaty of Peace has the government of Canada made any representations to the assembly or to the council of the League of Nations with regard to the despatch of British troops to China?

Right Hon. W. L. MACKENZIE KING (Prime Minister): No representations of the character my hon. friend mentions have been made by the government.

NATURAL RESOURCES—ALBERTA

On the Orders of the Day:

Hon. J. W. EDWARDS (Frontenac-Addington): Can the Minister of Justice (Mr. Lapointe) give the House any information as to when we may expect the judgment of the Supreme Court of Canada with respect to section 17 of the Alberta Act, and whether, in the event of that judgment being handed down in the near future, it is the intention of the government to introduce legislation in relation thereto this year?

Hon. ERNEST LAPOINTE (Minister of Justice): All I can say to my hon. friend is that I have been informed that the argument will take place on March 7. So far as the judgment of the court is concerned, I am afraid it is beyond my knowledge when the judges will have made up their minds.

REFERENCE TO ALBERTA LEGISLATOR

On the Orders of the Day:

Hon. CHARLES STEWART (Edmonton, Minister of the Interior): In the course of a debate in the House a statement was made reflecting on the action of a member of the Alberta legislature who has wired me asking that I correct the impression. I will read the telegram—

Some hon. MEMBERS: No.

Mr. STEVENS: This is out of order.

Mr. SPEAKER: I fear the minister is out of order.

Mr. STEWART (Edmonton): Is a citizen to have a reflection cast upon him in this House without his having any means of obtaining redress? This happened, not in the legislature of Alberta, but in this House.

Mr. SPEAKER: I have not before me the debate in question, but it is not in order for an outsider to get any member of the House

[Mr. Woodsworth.]

to rise to a question of privilege in his behalf. The privilege is reserved to members of this House; otherwise many persons outside might seek to make this chamber a forum in which to settle their difficulties.

CANADIAN MINISTER AT WASHINGTON

Mr. F. W. HAY (North Perth): Can the Prime Minister tell us whether the office of the Canadian minister at Washington is or is not yet open for business; and if not, why not? I am prompted to ask this question by reason of a telegram I have received from a business concern in Stratford in the county of Perth where the people are always active. They naturally want to be able to get in touch with our minister there without any undue delay.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I might tell my hon. friend that the Canadian minister arrived in Washington on Tuesday of this week and called upon the Secretary of State yesterday. I understand that to-morrow he presents the letter of credence from His Majesty the King to the President of the United States, and when these formalities are concluded I think it may be understood that the office has been duly opened. The premises have been obtained and the staff will be located in a building within a block or two of the British embassy.

EXTENSION OF FISHING SEASON

On the Orders of the Day:

Mr. L. P. BANCROFT (Selkirk): I would like to ask the Minister of Marine and Fisheries if it is the intention of his department to grant an extension of the fishing season in Manitoba?

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries): The government have received requests both for and against the granting of an extension of the fishing season in Manitoba, and after careful consideration we have decided not to grant an extension. The reason is that the fishing season has been good from the beginning; it is true that an extension has been requested because of the low prices, and it may be true that the prices will be higher in March, but if the market is flooded as a result of extending the season, prices might decrease at the same time. I have taken the advice of the technical advisers of the department, and we have decided that in order to preserve these fisheries it is preferable not to grant an extension this year.

THE BUDGET

ANNUAL FINANCIAL STATEMENT OF HON. J. A. ROBB, MINISTER OF FINANCE

Hon. J. A. ROBB (Minister of Finance) moved:

That Mr. Speaker do now leave the chair for the House to go into committee of ways and means.

He said: In presenting to parliament my fourth annual budget to-day, may I recall that when in April, 1924, I had the honour of first delivering a budget, the post war depression so evident in 1920 and in 1921, was then moderating. Each succeeding year the annual budget has indicated gradual improvements in our trade and in our national finances.

The Dominion enters its diamond jubilee year with a happy outlook. Our farmers have, in general, enjoyed bountiful harvests; our industries are active and working well up to capacity, many indeed are working overtime; employment is at a high level and our transportation companies report a large volume of business; retail trade is brisk, money is plentiful and a buoyant spirit prevails. As individuals, Canadians have much to be thankful for, and as government financing is easier when times are good, the report I present to-day will, I am sure, be a source of gratification and satisfaction to the country at large.

The large increases of debt registered in each of the fiscal years from 1913-14 to 1922-23 inclusive, are in striking contrast with the gradual and substantial reductions, aggregating some $64,000,000, made during the fiscal years 1923-24 to 1925-26. We are again in the happy position of being able to report a continued story of progress for the current fiscal year which closes on the 31st of the coming month.

We estimate that at the close of this year there will be a further reduction of some $31,000,000, in our net debt. Thus, in four years whilst we have been reducing taxation we will also have reduced our net debt by some $95,000,000.

Public Accounts 1925-26

The public accounts for the financial year 1925-26 were tabled on the 10th December last. In presenting the budget speech on the 15th of April, last, the outcome for the fiscal year 1925-26 was necessarily based on estimates of our revenues and expenditures for the year. It was estimated that the reduction in our net debt would be $22,353,000. The final results for the year show that this estimate was more than justified in that the actual reduction in our net debt was $27,706,586.

Fiscal Year 1926-27

Revenue

Coming now to the fiscal year 1926-27, we estimate that our ordinary revenue for the current fiscal year will be $393,100,000 which, with special receipts from reparations payments of $1,700,000, will give a total revenue for the year of about $394,800,000. This is an increase of some $11,900,000 over the revenues for the year 1925-26.

Certain revenue services will show increases as follows: Customs duties $14,100,000; excise duties $4,500,000; excise taxes—that is, sales, stamps, etc.—$5,900,000; interest on investments $600,000, and from miscellaneous sources $500,000, making a total increase from these sources of some $25,600,000.

Other sources of revenue will show decreases as follows: Income tax $8,600,000; delayed business profits tax $500,000; post office receipts $3,300,000; and from miscellaneous sources $1,300,000; making total decreases from these sources of over $13,700,000. The net increase in revenues will therefore be some $11,900,000.

Expenditures

The estimated expenditures for the year are: Ordinary expenditures $324,500,000; special expenditures $5,300,000; capital expenditures $20,100,000; loans to Canadian National Railways $10,000,000 and loans to the Quebec Harbour Commission $700,000; a total of $360,600,000; being an increase of $5,400,000 over expenditures for the previous year.

Our estimated total expenditures of $360,600,000 deducted from our estimated revenues of $394,800,000 will leave a surplus of $34,200,000 of revenues over expenditures. To arrive, however, at the probable reduction of over $31,000,000 in our net debt it will be necessary to deduct from this surplus $2,900,000 representing a reduction in the value of soldier settlement loans which at the close of our previous year appeared in the balance sheet as a live asset.

Chapter 53 of the statutes of 1925 amended the Soldier Settlement Act of 1919 and provided for the revaluation of live stock purchased for settlers by the Soldier Settlement Board. The act provided that a reduction of 40 per cent on the purchase price be allowed to soldier settlers for whom live stock was purchased prior to October 1, 1920 and a reduction of 20 per cent to soldier settlers for whom purchases were made between October 1, 1920 and October 1, 1921. Calculations have now been made which will reduce our assets, subject to minor amendments, by some $2,900,000.

With the permission of the House I shall place on Hansard a comparative summary setting out the actual revenues and expenditures by services for 1925-26 and the corresponding estimated revenues and expenditures for the present fiscal year.

There are other statements which, with the approval of the House, I shall also place on Hansard:—

First.—Statement of our estimated ordinary revenues, by services, amounting to $393,150,000, together with the percentages of such services to the total of the ordinary revenues as estimated.

Second.—Statement of the estimated expenditures by services for the present fiscal year showing the various amounts and their percentages to the total expenditures.

REVENUES AND EXPENDITURES

Ordinary Revenue	Actual, 1925-26	Estimated, 1926-27	Increase	Decrease
	$ cts.	$ cts.	$ cts.	$ cts.
Taxation revenue—				
Customs duties	127,355,143 50	141,500,000 00	14,144,856 50	.....
Excise duties	42,923,549 03	47,500,000 00	4,576,450 97	.....
War tax revenue—				
Excise taxes (sales, stamps, etc.)	98,097,105 81	104,000,000 00	5,902,894 19	.....
Income tax	55,571,961 57	46,900,000 00	.....	8,671,961 57
Business profits tax	1,173,448 55	650,000 00	.....	523,448 55
Miscellaneous taxes	2,453,803 60	2,450,000 00	.....	3,803 60
Total taxes	327,575,012 06	343,000,000 00	24,624,201 66	9,199,213 72
Interest on investments	8,535,085 77	9,200,000 00	664,914 23	.....
Post office	30,334,575 02	27,000,000 00	.....	3,334,575 02
Dominion lands	2,803,513 22	3,300,000 00	496,486 78	.....
Canada Grain Act	2,685,592 39	2,700,000 00	14,407 61	.....
Miscellaneous	8,811,727 12	7,950,000 00	.....	861,727 12
Total ordinary revenue	380,745,505 58	393,150,000 00	25,800,010 28	13,395,515 86
Special receipts and credits on consolidated fund	2,147,503 48	1,720,000 00	.....	427,503 48
Total	382,893,009 06	394,870,000 00	25,800,020 28	13,823,019 34
			13,823,019 34	
			11,976,990 94	

Ordinary Expenditure	Actual, 1925-26	Estimated, 1926-27	Increase	Decrease
	$ cts.	$ cts.	$ cts.	$ cts.
Interest on public debt	130,691,493 21	129,500,000 00		1,191,493 21
Pensions	37,203,699 65	37,790,000 00	586,300 35	
Subsidies to provinces	12,375,128 50	12,516,740 00	141,611 50	
Soldier land settlement	1,237,420 87	1,300,000 00	62,579 13	
Soldiers' civil re-establishment	7,705,584 26	7,200,000 00		505,584 26
Customs and excise	9,717,919 54	10,450,000 00	732,080 46	
Post office	30,499,685 74	30,820,000 00	320,314 26	
National defence	12,649,203 29	12,700,000 00	50,796 71	
Agriculture	5,771,475 71	5,900,000 00	128,524 29	
Public works, chargeable to income	13,416,044 76	13,400,000 00		16,044 76
Dominion lands and parks	3,638,536 86	4,328,000 00	689,463 14	
Trade and commerce	4,569,706 97	4,800,000 00	230,293 03	
Civil government	10,779,338 25	11,000,000 00	220,661 75	
All other expenditure	40,405,241 53	42,773,000 00	2,367,758 47	
Total ordinary expenditure	320,660,479 14	324,477,740 00	5,530,383 09	1,713,122 23
Special expenditure—				
Adjustment of war claims	191,392 79	155,000 00		36,392 79
Discount and expenses of loan flotations	3,523,925 13	3,290,000 00		233,925 13
Miscellaneous charges to consolidated fund	2,806,166 96	1,840,000 00		966,166 96
Capital expenditure—				
Public works	4,805,949 43	3,298,000 00		1,507,949 43
Railways and canals	11,992,599 49	16,840,000 00	4,847,400 51	
Loans and advances non-active—				
Loans to Canadian National Railways	10,000,000 00	10,000,000 00		
Loans to Canadian Government Merchant Marine	668,000 00			668,000 00
Loans to Quebec Harbour Commission	511,000 00	700,000 00	189,000 00	
Miscellaneous non-active accounts	26,909 95			26,909 95
Grand total expenditure	355,186,422 89	360,600,740 00	10,566,783 60 5,152,466 49	5,152,466 49
			5,414,317 11	
Surplus of revenues over expenditures	27,706,586 17	34,269,260 00		
Less reductions in assets due to revaluation of soldier land settlement loans for purchase of live stock authorized as by Chap. 53, Acts of 1925. Amount written off to consolidated fund		2,903,000 00		
Net decrease of debt	27,706,586 17	31,366,260 00		

ESTIMATED ORDINARY REVENUE

FOR FISCAL YEAR 1926-27

	Estimated Revenue	Percentage of total Ordinary Revenue
	$ cts.	
Special war tax revenue—		
Excise taxes (sales, stamps, etc.)	104,000,000	26·45
Income tax	46,900,000	11·93
Delayed business profits tax	650,000	·17
Miscellaneous war taxes	2,450,000	·62
Total special war tax revenues	154,000,000	39·17
Customs import duties	141,500,000	35·99
Excise duties	47,500,000	12·08
Total revenue from taxation	343,000,000	87·24
Interest on investments	9,200,000	2·34
Post office revenue	27,000,000	6·87
Miscellaneous receipts	13,950,000	3·55
Total ordinary revenue	393,150,000	100·

ESTIMATED EXPENDITURE FOR 1926-27

	Amount	Percentage of total Expenditure
PRINCIPAL EXPENDITURE ATTRIBUTABLE TO THE WAR	$ cts.	
Interest on public debt (increase over 1914)	116,607,000 00	32·34
War pensions	36,650,000 00	10·16
Soldiers' civil re-establishment	7,200,000 00	2·00
Soldier land settlement (administration)	1,300,000 00	·36
Imperial War Graves Commission	810,000 00	·22
Battlefields memorials	200,000 00	·06
Adjustment of war claims	155,000 00	·04
	162,922,000 00	45·18
OTHER FIXED AND PUBLIC DEBT CHARGES		
Interest on public debt (as of 1914)	12,893,000 00	3·58
Other pensions	1,140,000 00	·32
Superannuation	1,500,000 00	·41
Subsidies to provinces	12,516,740 00	3·47
Discount and expenses of loans	3,290 000 00	·91
Premium, discount and exchange	25,000 00	·01
	31,364,740 00	8·70
GENERAL EXPENDITURE		
Charges of management	1,000,000 00	·28
Civil government	11,000,000 00	3·05
Administration of justice	2,187,000 00	·60
Legislation	2,466,000 00	·68
Elections	1,950,000 00	·54
Penitentiaries	1,765,000 00	·49
Agriculture	5,900,000 00	1·64
Immigration and colonization	2,523,000 00	·70
Health	680,000 00	·19
National Defence	12,700,000 00	3·52
Royal Canadian Mounted Police	2,200,000 00	·61
Public Works—chargeable to income	13,400,000 00	3·72
Railways and canals—chargeable to income	1,540,000 00	·43
Canada highways	1,100,000 00	·30
Mail subsidies	1,120,000 00	·31
Ocean and river	2,600,000 00	·72
Lighthouse and coast	2,550,000 00	·71
Steamboat inspection	133,000 00	·04
Fisheries	1,470,000 00	·41
Mines and geological surveys	630,000 00	·17
Scientific institutions	960,000 00	·27
Indians	3,843,000 00	1·06
Government of the Northwest Territories	374,000 00	·10
Remission of excise taxes on automobiles	1,690,000 00	·47
Miscellaneous	2,300,000 00	·64
Government of the Yukon Territory	187,000 00	·05
Customs and excise (outside service)	10,450,000 00	2·90
Post office (outside service)	30,820,000 00	8·55
Public works—collection of revenue	1,000,000 00	·28
Railways and canals—collection of revenue	2,400,000 00	·66
Dominion lands and parks	4,328,000 00	1·20
Trade and commerce	4,800,000 00	1·33
Labour	1,400,000 00	·39
Public printing and stationery	170,000 00	·05
Miscellaneous consolidated fund charges	1,361,100 00	·38
Capital expenditure—		
Public works—including marine department	3,298,000 00	·91
Railways and canals	2,840,000 00	·79
Welland ship canal	14,000,000 00	3·88
	155,135,100 00	43·02
Total estimated expenditure on government services	349,421,840 00	96·90
OTHER EXPENDITURES		
Loans to Canadian National Railway	10,000,000 00	2·77
Loans to Quebec Harbour Commissioners	700,000 00	·20
Home Bank Creditors' Relief Act	478,900 00	·13
Grand Total	360,600,740 00	100·00

Redemption of Debt

On the 1st of October and the 15th November, 1926, the two-year 4 per cent notes amounting to $35,000,000 and $8,000,000 respectively, or a total of $43,000,000, matured and were redeemed. The withdrawal of this $43,000,000 of interest bearing bonds in the hands of the public will result in the saving to Canada of an annual interest charge of $1,720,000.

Hon. members who were in the last parliament will recall that on the 7th of June last when the bill giving borrowing powers to meet loans maturing in 1926-27 was before the House, in reply to a question asked in this connection, I stated that we hoped out of current cash resources to take care of the loans maturing during 1926, amounting to $43,000,000. I made this statement knowing that at the close of the fiscal year 1925-26 we had on hand assets in cash of $27,068,121.38, which with accruing surpluses would enable us to retire these maturities.

Maturities 1927

On the 15th November, 1927, the three-year 4 per cent notes amounting to $8,000,000 will mature. We hope to be able to redeem this loan in cash, thereby making a further saving in annual interest of $320,000.

On the 1st November, 1927, the 5½ per cent renewal loan of 1922, amounting to $29,068,400, will also mature. If our finances permit we will redeem at least a portion of this loan in cash, the balance, if any, will be redeemed by the flotation of a new loan at a reduced rate of interest.

On the 1st December, 1927, a portion of the 1917 Victory loan, 5½ per cent tax-free, amounting to $63,437,250, will mature. This loan will be redeemed by the flotation of a new loan at a reduced rate of interest. Such refinancing will result in a further annual saving in our interest charges of approximately $1,000,000.

Expenditures by means of Governor General's Warrants

May I now say a few words on the method employed to carry on financial obligations by way of expenditures during the present year. There seems to be a general belief that owing to the method of obtaining supply by governor general's warrants, considerable saving in our usual expenditures was effected. Examination of the expenditures during this period does not show such a result.

On the 28th June last the then Prime Minister resigned. The following day the leader of the opposition took office. On the 2nd July the members on arriving for the purpose of attending the sitting of the House found that dissolution had taken place. The Right Hon. Mr. Meighen was faced with the problem of insufficient supply until a duly elected House could assemble. Before dissolution one-quarter of the main estimates, or supply sufficient for the months of April, May and June, had been authorized by interim supply. The new government had recourse to the issue of governor general's warrants. Warrants were obtained during the months of July, August and September, amounting to $48,708,473.11. Examination of the records shows that for the most part these warrants were issued for services contained in the main estimates, one-quarter of which had been voted by parliament by way of interim supply.

In addition these warrants covered a number of services set out in the supplementary estimates which were tabled but no portion of which had been voted. As stated, the total amount of governor general's warrants issued under the brief administration of the Right Hon. Mr. Meighen was $48,708,473.11.

Expenditures for the corresponding period of the previous year were $49,000,000, practically the same amount as covered by the warrants issued by the Meighen administration. It will thus be seen that practically no savings in expenditures under governor general's warrants were made in that period.

The present Prime Minister resumed office on September 25, 1926. The duly elected members of the new House were summoned for the 9th of December. In the meantime, pending the meeting of the House, it was necessary for the present administration to supplement the previous governor general's warrants by amounts necessary to meet requirements for the months of October and November for the salaries of public officials and for the financing of contracts, works, and so forth, which it found the country obligated to carry on. To meet such expenditures warrants were issued in October for $15,612,796.74, and in November for $16,350,712.97, or a total of $31,963,509.71. Expenditures for the corresponding months of the previous year were $30,497,921.52. Thus, the total amount of governor general's warrants issued during the year amounted to $80,671,982.82, while the total expenditures for similar services—as covered by the governor general's warrants—for the corresponding period of the year before was $79,500,000, or a million less than the total warrants.

Probable Revenues and Expenditures for the coming Fiscal Year

The revenues which we will receive during the financial year 1927-28 may be lessened as compared with the estimated revenues for the present fiscal year by the amount of $27,000,000, representing the remission to the public of taxes which we intend in this budget to submit for the approval of parliament. But there is every prospect of increasing business activities. I, therefore, anticipate that our revenues, notwithstanding our further reductions in taxation, will be equal to the revenue we will receive during the present year, and I hope that we may have a slight increase.

On the expenditure side we have obligations slightly in excess of those for the present fiscal year. Having due regard to the maintenance of efficiency in the public services we will endeavour to keep our actual expenditures to the lowest possible amount. I believe that we should bend all our energies towards reducing burdensome taxation as rapidly as our revenues will permit; but we should also continue the practice of the present and preceding year of retiring in part, or in whole, at maturing dates, outstanding bonded indebtedness in the hands of the public. In other words, the refinancing of any maturing loans should be for a reduced amount.

Trade

I am sure the House and the country will be interested in a statement of our trade. The fiscal year does not end until the 31st March, so the trade statement is limited to the nine months period ending December 31. In that period our imports increased over those of the same nine months in 1925 by $81,000,000, while our exports decreased $44,000,000. Our international trade for the nine months totalled $1,762,000,000, of which our imports represented $766,763,000, and our exports $995,286,000, leaving a favourable balance of trade for the nine months of $228,523,000. Preliminary calculations for the month of January increase this favourable balance and it is anticipated that at the close of the fiscal year the favourable trade balance may approximate $250,000,000.

But when we are comparing trade statistics, quotations in dollars are not always conclusive tests. Exports of farm products form an important portion of our exports, the production and marketing of these products are affected in various ways: sometimes crops fail, the prices of commodities fluctuate, conditions in other lands entirely beyond our control expand or restrict the purchasing capacity of our customers. For example, in the period under review we exported oats to the value of $8,000,000, which, owing to a small crop in Canada, ocean transportation difficulties and the British strike troubles, was $14,000,000 less than in the same period of the previous year. Canadian climatic conditions in the month of December interfered with the export of wheat, there being a decrease in that month alone of $26,000,000 of wheat exports. A third item showing a pronounced decrease in the export columns is gold bullion and quartz. In the nine months period of 1925 we exported $23,600,000 of this precious metal; in 1926 we exported but $5,000,000 worth. This was not in consequence of any curtailment in the production, but simply because the gold was refined and held in Canada.

The products of Canadian factories continue to go farther afield and in increasing quantities. The export of rubber goods, chiefly tires for vehicles, increased from $13,800,000 to $19,000,000. We exported 7,596,000 barrels of flour as compared with 7,224,000 barrels in the period of the year before. Another increase is in newsprint, our exports for nine months increasing to $85,700,000, thus exceeding the nine months of 1925 by over $12,000,000.

A detailed classification of the imports is published in the monthly reports of the Department of Trade and Commerce, but, broadly speaking, it may be said that commodities imported for further manufacture show the most pronounced increases. The following table gives the quantities imported of certain goods, classified for statistical purposes as goods imported for further manufacture:

IMPORTS FOR CANADIAN INDUSTRIES

(9 MONTHS ENDED DECEMBER 31)

—		1921	1925	1926
Crude petroleum	Gal.	328,636,451	434,101,839	531,069,795
Raw cotton	Lb.	63,083,139	83,070,113	89,199,961
Raw hides	"	22,100,681	37,097,685	42,092,035
Auto engines	No.	7,710	53,315	59,037
Raw tobacco	Lb.	15,364,513	11,592,721	12,749,190
Lumber	M. ft.	95,262	103,472	134,434
Raw wool	Lb.	7,784,980	9,121,504	11,049,723
Noils and tops	"	4,779,893	4,304,670	5,728,795
Raw sugar	"	583,799,882	941,480,573	902,030,400
Manila and sisal grass	"	12,148,500	27,187,800	30,941,700
Copper bars and rods	"	7,856,900	20,924,300	13,201,900
Raw silk	"	255,072	368,427	459,974
Hemp	"	5,780,200	19,494,500	10,004,800
Alumina	"	13,774,300	90,439,700	103,270,700
Oil for soap industry	Gal.	821,094	1,711,331	2,501,074
Sulphur	Lb.	136,181,466	266,821,707	346,389,800
Cotton seed oil, crude	"	28,922,150	18,184,195	13,795,422
Iron ore	Tons	643,043	1,031,752	1,443,874
Raw cocoa	Lb.	11,691,000	11,050,000	9,765,900
Rubber, hard, recovered, etc	"	1,972,522	10,354,382	11,838,886
Raw rubber	"	13,205,683	33,216,396	31,596,542
Peanut oil, crude	"	.....	13,340,319	37,446,039
Rolling mill products	Cwt.	4,289,497	10,532,622	13,780,928
Manganese, oxide of	Lb.	543,886	114,253,720	41,444,800
Grease for soap and leather	"	12,808,347	9,390,184	14,510,268
Tin in blocks, ingots, etc	"	1,904,006	3,218,400	3,885,400
Pigs and ingots of iron	"	47,641,400	82,160,000	81,012,960
Auto parts, n.o.p	$	6,610,442	15,922,965	20,277,498
Raw furs	$	3,038,935	4,787,180	5,942,424
Axles for vehicles	$	1,133,157	2,579,949	1,866,048
Silk cloth to be dyed	$	.....	1,451,588	2,450,719
Celluloid in lumps, sheets, etc	$	389,233	1,052,520	1,244,888
Gums and resins	$	1,459,757	2,094,155	2,476,503
Silver in bars, etc	$	499,169	784,289	714,458
Leather unmanufactured	$	3,269,973	2,876,705	3,909,334

The nine months' imports thus classified had a value of $128,000,000 in 1921 and $224,000,000 in 1926. A prosperous and busy Canada permits its citizens to be more generous in their purchases, thus taking more of the products of our factories, and Canadian factories working full time require larger supplies of raw and semi-manufactured materials, part of which is necessarily imported from other lands.

The policy of the government has been to promote friendly trade relations with other countries, and particularly to strengthen our trade ties within the empire. Canada introduced the policy of preferential tariffs within the British Empire and the extent of our empire trade fully justifies the expectations of those who originated the British preference. Bearing in mind the industrial difficulties of the mother country during the past year, our trade with the empire during the period under review was satisfactory.

The following summary divides the trade into three classes: trade with the United Kingdom, trade with other parts of the empire, and trade with foreign countries:

Trade with the United Kingdom
(Nine months ending December 31.)

Year	Imports	Exports
1924..	$111,952,954	$332,422,536
1925..	122,987,713	428,468,249
1926..	123,965,458	379,658,793

Trade with other parts of the Empire
(Nine months ending December 31.)

Year	Imports	Exports
1924..	$ 33,346,904	$ 60,205,310
1925..	31,359,564	65,394,284
1926..	36,603,035	70,838,840

Trade with Foreign Countries
(Nine months ending December 31.)

Year	Imports	Exports
1924..	447,189,194	$445,681,959
1925..	531,402,586	546,184,424
1926..	606,194,549	544,788,509

Of special interest to every citizen is the amount of taxation that he is called upon to pay. The flourishing condition of our finances again enables us to substantially reduce taxation. This we promised the electors we would do, and to-day we implement that promise.

It is proposed to make a reduction of 10 per cent in all rates of the income tax.

It is proposed that a general cut of 20 per cent be made in the sales tax.

The excise tax on matches will be cut 25 per cent.

It is proposed that a flat rate of two cents, irrespective of the value involved, be set on all cheques, bills of exchange, promissory notes and similar documents exceeding ten dollars in value, thus substantially reducing the tax and at the same time removing the complications of a graduated scale. The stamp tax on overdrafts and advances will be abolished. The exemption from stamp tax on cheques, bills, etc., is increased from five dollars to ten dollars. These reductions amount to practically seventy per cent of the stamp taxation and so practically abolish what the man in the street terms the "nuisance taxes."

Representations have been made seeking total or partial exemption from taxation of money gifts to hospitals and higher educational institutions, but difficulties of administration thus involved might prove insurmountable. It is felt that the same worthy end is attained by the general reduction now being made in the amount of income tax payable.

The proposed reductions in the income tax will be applicable to assessments falling due shortly.

The reductions in the sales tax become effective to-morrow.

The proposed reductions in the tax on matches and in the stamp taxes will become effective on the diamond jubilee of confederation.

In April last an advisory board on tariff and taxation was created. Since then the board has been instructed to investigate and report on 52 applications for tariff changes. Of these applications, one was sent by my immediate predecessor in office, the balance by myself. The board has proven to be a popular tribunal, but has only been operating a few months. The holding of numerous public hearings and the making of intensive investigations have taken much time, and, as certain of the applications are inter-locking, inquiries are not yet completed. Everything considered, it has appeared to my colleagues and myself the part of wisdom to propose no changes in the customs tariff at the present session of parliament.

To-day, as already mentioned, it has been my privilege to present my fourth annual statement of the Dominion of Canada. Each year the expenditures have been less than our revenues, enabling us to make reductions in most of the taxation rates. Readjustments and reduction of customs duty resulted, as predicted, in greater and more profitable production to manufacturers, and users of implements so essential to all engaged in the basic industries of our country. From a long and varied list of articles the sales tax has been materially reduced. Each year we have been able to lighten the burden and relieve Canadians from some of the war or "nuisance" taxes. From year to year income tax exemptions were made; last year increased exemptions and substantial reductions in rates were announced. Penny postage was restored and the receipt tax abolished. The estimated combined decreases in revenues totalled many millions of dollars, yet the financial condition of the treasury was never better than it is to-day—proof conclusive of the solid prosperity of Canada and of the Canadian people, and may I be permitted to add, of economical and prudent administration of their affairs.

The reductions in our sources of revenue this year are equally substantial and will lighten taxation, it is estimated, to the extent of $27,000,000. In arriving at the nature of these reductions, this year, as in those which lie behind, the aim has been to lighten the burden of every taxpayer, rather than to afford relief to special groups, provinces or sections of the country. Thus, moneys which otherwise would come into the public coffers are released for the use of the individual; the development of the country is encouraged; the cost of production in our industries is reduced and avenues for an increase of business are created. As an example, may the transportation facilities of the Dominion be cited. In a country so vast as Canada the charges for the carrying of goods are of primary importance both in the development of our natural resources and in the cost of living; consequently, appeals are frequently made for reductions in the freight rates. Yet we must not forget that the credit of Canada, as well as the successful operation of the railways, whether private or public-owned, depends upon the companies being able to show a margin of profit over expenditures. A reduction of taxation means a saving in the operating expenses to them; a relief of taxation encourages the producer to increase his yield of supplies to be carried, and enables the consumer to increase his purchasing power; thus, side by side, we have a saving in operating charges and at the same time a larger volume of business, bringing closer the natural solution of our transportation problem.

Four years ago when I presented my first budget, Canada was still suffering from the effects of the post-war depression. To-day all traces of that depression have disappeared; a spirit of optimism is general and our domestic and international trade is flourishing. Let us continue to build solidly; let us shun extravagance and waste; let us have faith in our future. We can have no higher resolve in this the diamond jubilee year of our confederation than as Canadians to remain forever united, and work for the lasting prosperity and progress of this our glorious land—Canada.

I beg to give notice that when the House resolves itself into committee, I shall move the following resolutions:

Resolved, That it is expedient to introduce a measure to amend The Special War Revenue Act, 1915, and to provide:—

1. (i) That the stamp tax on cheques, bills and notes, receipts for money paid by a bank, bills of exchange drawn upon persons outside of Canada according to the tenor of the bills, money orders and travellers' cheques, and post office money orders, shall on and after the first day of July, 1927, be

two cents in respect of each such instrument for an amount in excess of ten dollars.

(ii) That on and after the first day of July, 1927, the stamp tax on matches shall be as follows:—

On each package of matches manufactured or sold: three-fourths of one cent for each one hundred matches or fraction of one hundred matches;

On each package containing not more than sixty and not less than thirty matches: three-eighths of one per cent package;

On each package containing less than thirty matches: three sixteenths of one cent per package.

(iii) That from and after the sixth day of July, 1927, the following stamp taxes be abolished, namely,

On advances made by a bank as imposed by paragraphs (c), (d) and (e) of subsection three of section twelve of the said Act;

On overdrafts, as imposed by paragraphs (f) and (g) of said subsection three;

On advances by any person not being a bank, as imposed by subsection 19 of said section twelve.

2. That the rate of consumption or sales tax be reduced to four per cent and that any enactment which may be founded on this resolution number two shall be deemed to have come into force on the eighteenth day of Frebruary, 1927, and to have applied to goods imported or taken out of warehouse on and after that date, and to have applied to goods previously imported for which no entry for consumption was made before that date.

3. That said section nineteen BBB be further amended by providing that, for the purposes of the said section, printers, publishers, lithographers and engravers shall be regarded as producers or manufacturers, and that any enactment which may be founded on this resolution number three shall be deemed to have come into force on the eighteenth day of February, 1927.

Resolved, That it is expedient to amend The Income War Tax Act, 1917, to provide that the rates of tax be reduced by ten per centum.

Hon. R. B. BENNETT (West Calgary): I confess, Sir, that I approach the task of replying to the hon. the Minister of Finance (Mr. Robb) with some diffidence. I have not in a busy life been able to give that measure of attention to the business of the country during the last few weeks that its importance demands. But my first words must be words of compliment to the minister upon the excellent presentation of the statement that he has made. It is a statement made with great clearness, with great fairness, and if now and then he lapsed into purely party laudation, one must expect that from the very nature of the circumstances in which he finds himself. I am sure that I voice the opinion of all those on this side of the House when I hope that if the budget statement is to be presented in the future as it has been during the last few years by the Liberal party, that the hon. the present Minister of Finance may be the gentleman to present it.

The hon. gentleman at once proceeded to point out the amazing prosperity of this country. I am sure that no one rejoices more in the continued prosperity of Canada than those who sit to the Speaker's left. But when we analyse the causes that have brought about prosperity, I think perhaps we might differ. The real truth is that the prosperity of this country depends upon the fortunate circumstance that we have had amazing crops during the last few years. The crop last year was the third largest in the history of Canada, and it amounted to such a volume as made possible the exportation of many millions of bushels of wheat and grain, thereby increasing the purchasing power of the people, and that is reflected in the prosperity to which the minister has referred.

It might be important to observe that we have during the last few years been exporting very largely from this country our natural resources, and the money that has come back from the sale of these resources has increased the purchasing power of the country. For instance, we produce enormous quantities of grain and grain products, and their export from this country constitutes a very substantial item in our trade balance. The same may be said with respect to mineral production. During the last year, for instance, we had the highest figure that we have ever had in mineral production in Canada, the total reaching in

round figures, $242,800,00. That is an enormous sum of money which cannot be replaced. That is the exhaustion of a capital asset; that means that the minerals thus taken from the ground and shipped out of this country in large quantities will not be replaced by any effort that may be made by the sons of men. For instance, with respect to asbestos, with respect to nickel, with respect to gold and gold quartz, to which the minister referred, it is impossible, Sir, that at any time these capital assets so taken from the country can be replaced. It means the exhaustion of our national wealth to that extent. With respect to the quantities of grain taken from our soil, it is only fair to point out that to some extent we are exhausting our soil. With respect to the vast quantities of pulpwood and pulp shipped abroad, and with respect to newsprint, these can only be replaced in the lifetime of two or three generations, certainly not in the lifetime of the present generation. To that extent—and the figures are interesting—we are exhausting capital assets of this country which cannot in the very nature of things be replaced by any means that can be devised by the wit of man. It is therefore important to realize that a very large proportion of the money that is now available for the purchasing power of our people comes by reason of the exhaustion of our capital assets, and it seems to me that it is a matter worthy of very serious consideration by this House and by the country. I point this out because when my hon. friend the minister draws attention to the fact that we have produced very large quantities of new wealth in this land, it is well to remember that that new wealth has been produced under the circumstances to which I have referred.

Now, increased purchasing power means increased trade, and yet if that trade be hampered or restricted by excessive taxation, it follows that the measure of profit which may accrue to those engaged in it is correspondingly less, and that the cost of living to the individual becomes correspondingly more. I ventured to send to-day for the report of the Department of Labour with respect to the cost of living represented by the weekly budget of a family of five. That budget covers the staple foods, fuel and lighting and rent, in terms of the average retail prices in sixty cities in Canada. I find that with the exception of January, February, March and April, a higher figure was reached in 1926, namely $21.41 per week for the month of December, than had been reached at any time since the month of January, 1922. If there had been this great reduction in taxation to which the minister has referred, if there had been a cheapening of the services under which men live, then why was it that the cost of living was higher in December, 1926, than it had been, with the exception of the months I have mentioned, since January, 1922? That, I think is worthy of consideration, for it is the inevitable reaction of the circumstances to which I have drawn attention.

But let us go a step further, Mr. Speaker. The Minister of Finance referred to the tax reductions in his last budget, and he said, that he promised the people of this country on the election platform that if his party was returned to power he would make another substantial reduction in taxation. Let us analyze these figures, and see whether or not there has been any substantial reduction in taxation as he mentioned—whether a single dollar in taxation has been taken off. In 1925 the government of this country extracted from the people by taxation, as shown by the reports issued by the Department of Finance, a sum of $327,575,000; during the year ending March 31, 1927, the sum extracted from the pockets of the people was $343,000,000—an increase of $15,425,000, which is equivalent, Mr. Speaker, on the figures supplied by the statistical bureau of this country, to an average of $1.64 more per head taken from the taxpayers during the year just ending than was taken during the preceding year. That is reduction in taxation! It means that every fmaily of five in Canada paid last year $8.20 more taxes than they paid during the preceding year. That is the position.

But that is not all. Let us take the figures and consider them in the light of the statements made by the minister himself. In 1925-26, the Department of Finance shows that there was taken in customs duties as taxes from the people of this country the sum of $127,355,000 in round figures; this year the amount is $141,500,000—an increase of $14,144,000, or $1.50 for every man, woman and child in this country, which represents, Mr. Speaker, an average of $7.50 for every Canadian family. That is the reduction in taxation enunciated by the hon. Minister of Finance!

But that is not all. With respect to excise duties as distinguished from excise taxes, we find that for the year ended March 31 last there was taken from the Canadian people for these duties $42,923,549.03, and this year there has been taken from them $47,500,000—an increase of $4,576,450.97, equivalent to practically 48 cents a head for every man, woman and child in Canada. That is reduction in taxation!

Then let us go a step further to the so-called war taxes, the excise war taxes—revenue, sales and stamp taxes. These were accountable for $98,097,105.81 last year; this year the sum total is $104,000,000—an increase of $5,902,894, equivalent to 62 cents for every man, woman and child in Canada, or a total of $3.10 per family. And that sales tax is the poor man's income tax—the tax upon his clothes, the tax upon the commodities that enter into his everyday life—and notwithstanding the statements made by the minister on platform after platform, the fact is that he took in the form of sales tax and other taxes from the people of this country last year 62 cents more from every man, woman and child than he did during the preceding year. All I can say is that it reminds me of the victory of that great general, Pyrrhus, and paraphrasing what was said of him I may well exclaim, Another such reduction of taxation and indeed we are undone! Another such victory for the reduction of taxation, and the taxes imposed upon the poor man will be indeed very much higher than they were before.

I shall come presently to the minister's proposals, but with respect to the income tax, it is true there was a reduction of some $8,000,000, equivalent to 92 cents per head or $4.60 for every family of five in Canada. Setting this against the increase leaves, as I have said, $1.64 as the amount of taxation taken from every man, woman and child in Canada during the year ending March 31, 1927, more than was extracted from them for the year ending March 31, 1926. Let there be no misunderstanding Mr. Speaker, with respect to that. Whether you say the people are better able to pay, or whether they have more money to pay is not the problem, for the same number of people paid these respective amounts of taxation. It means that in the ultimate analysis, $1.64 more was taken by this government from every man, woman and child of this country in "reducing" our taxation than was extracted during the preceding year. There is the record, Mr. Speaker, and it speaks for itself.

But my friend the hon. Minister of Finance did more, he referred to the magnificent achievements in the Post Office Department. Let us look at what he did there in reducing the taxation, or postage, by one cent—not on drop letters. In the year ending March 31, 1926, we had a revenue in the Post Office Department of $30,334,575.02, and we had an expenditure of $30,499,685.74. This year we have a revenue of $27,000,000 and we have expended $30,820,000, a deficit of $3,820,000 in the Post Office Department as a result of having reduced the postal rate by one cent from July 1 last. And who received the benefit of it? How much does that amount to? Does the Minister of Finance realize that in the matter of taxation it means for every man, woman and child substantially thirty cents per annum, or $1.50 per family? Does the government appreciate the fact that the effect of reducing the postage—something which was not asked for, and which was paid largely by the business institutions of the country—was to place upon the people of Canada a burden of $3,200,000 in the way of extra taxation, an increase to the extent of $1.50 per family?

So much for the Post Office Department. Nothing is clearer than that the net result of last year's budget was to extract from the people more money than they paid the year before, to the extent of $55,000,000 or $8.20 for every family. Nothing is clearer still than that the effect of reducing the postage from three to two cents from the first day of July last—and we have a record of only six months—was to place on the people of Canada a per capita burden of thirty cents in order that relief might be afforded to the large business institutions.

Now I proceed to show that last year's budget, which was widely heralded as promising a great remission of taxation, as the minister described it, did not mean so considerable a reduction for the reasons I have explained. It is so clear as to require no argument. If ten people in one year paid $10, they paid a dollar a head, and if the next year they paid $12, they paid $1.20 each. That is the real fact with relation to the so-called Robb prosperity budget of 1926. It is quite easy to brush the matter aside, but after all we cannot afford to treat it so lightly. The government cannot smile and allege that it is disposed of merely by asserting that what I now say is not so. There are the figures which the minister himself read this afternoon; and I took the trouble to get the population figures from the statistical department. Let us for a moment look at the question of trade which is wrapped up in the matter of taxation. The party on this side of the Speaker, that is to say, the Conservative party, believe that the development of the domestic market is of first importance to the Dominion of Canada. They believe that for two very certain reasons. One is that the domestic market is assured and cannot be destroyed by the caprice of an economic or commercial competitor. They understand that. In the second place, we over here realize that the develop-

ment of the domestic market is the only means by which we can give employment to those people coming to the country who are not seeking employment in agriculture. Further, it is the only means by which we are able to build up the industrial life of Canada and bring to our shores a consuming population for our own products.

Let us see what has occurred in this country. The Liberal party has endeavoured by a system of treaties to extend the foreign trade of Canada. Hon. gentlemen opposite say that this is highly desirable. We on the other hand regard it as desirable, first, by every means in our power, to develop our domestic trade. Let us analyse these two propositions. A series of treaties were entered into providing for favoured treatment in our markets of the products of the foreigner, who in turn is supposed to afford some more favoured treatment to us than he gives to other countries. If that arrangement worked out satisfactorily it might well indeed be said that it was worthy of consideration. But what are the facts? We must be guided by the facts and not by fancies with respect to this matter. I shall therefore read to the House a few figures that bear upon the question.

Take Australia. Last year we purchased from Australia 155 per cent more goods than we did the preceding year, but we sold them only 30 per cent more than we did the year before. Take the British West Indies.

Mr. DUNNING: What about the values?

Mr. BENNETT: Values are not the factors of comparison, but the increase in the percentage of trade. I hope the Minister of Railways (Mr. Dunning) does not conduct his business in that way. If he does, he shows how unfit he is to discharge the obligations and responsibilities of his office. Volume of business is not the factor that makes for the determination of the question whether there has been an increase or a decrease in a country's trade; what determines that question is the comparison of percentages as between this year and the preceding year. Last year, as I have pointed out, we bought from Australia 155 per cent more than we did the year before, and we sold them only 30 per cent more than we did before the treaty.

Mr. DUNNING: I merely asked my hon. friend for the values.

Mr. BENNETT: I did not keep the figures after preparing the percentages. Apparently the minister has them. However, they are here and can be referred to. They are issued by the Department of Trade and Commerce and I commend the report to the intellectual curiosity of my hon. friend. Let me proceed. From the British West Indies we purchased last year 23 per cent more than we did the year before while we sold to them 20 per cent more. These are favoured treaty countries, mark you, Mr. Speaker. From British South Africa last year we purchased 884 per cent more than we did the year before and lost in sales to them, compared with the preceding year, 2 per cent. That is to say, we sold to that country less goods by over 2 per cent during the last year than we did the year before. Take Belgium: I find that we purchased this year, compared with last year, over 38 per cent more goods while we sold to Belgium only 4 per cent more goods than we did the preceding year. And this is a community with which the hon. gentleman's predecessor contracted a trade treaty.

Mr. ROBB: I take the responsibility for it.

Mr. BENNETT: Does the Minister of Finance realize that the immediate effect of this was destructive to one glass industry in Canada?

Now I come to France. This year we increased our purchases from France by over 21 per cent as compared with the preceding year and we sold them nearly 30 per cent more goods than we did the year before. We made a treaty with them. Take Italy next. From that country we purchased last year 33 per cent more goods than we did in the preceding year, and sold them 62 per cent more. In that case the balance was on the right side. Next, Holland or the Netherlands. From them we purchased nearly 20 per cent more goods than in the preceding year, while we sold them less than 13 per cent more.

Now compare these countries with Germany, with which we have no treaty. Last year we purchased from Germany nearly 55 per cent more goods than we did in the preceding year while we decreased the amount of goods we sold them by nearly one per cent. So Germany bought one per cent less from us this year and we bought 55 per cent more from Germany than during the preceding year. In dealing with Japan we find the balance on the right side; from Japan we purchased 31 per cent more than during the preceding year, and we increased our sales to Japan by over 47 per cent. We bought nearly 80 per cent more goods from China than during the preceding year, but only sold 11 per cent more. Now we come to the United States. From that

community we purchased last year 15 per cent more goods than during the preceding year but sold them 3 per cent less goods than during the twelve months previous. What does that mean? It means that the busy hives of industry in the United States were able to work 15 per cent more to sell goods to the Dominion of Canada while we sold to them 3 per cent less of our natural and other products; that is what it means in cold figures. Let there be no misunderstanding in that respect, because that is the actual situation.

Now let us consider the whole of the British Empire. According to the figures supplied by the Minister of Trade and Commerce for the nine months ending December 31, we bought from the whole of the British Empire including Great Britain goods amounting to $213,940,249, while we sold goods worth $554,936,999, leaving a balance in our favour of $340,996,750. But let us take our foreign trade which shows that we bought goods to the value of $749,401,662, and sold goods worth $713,644,977, leaving an adverse balance of $80,756,685. It must also be borne in mind that the whole of this favourable balance over which the minister rejoices so much constitutes largely the purchases made by the United Kingdom of Great Britain and Ireland and the Free State of over $300,000,000 worth of goods; the purchases of Australia, with a balance in our favour of $13,000,000 and of Newfoundland with a balance of over $10,000,000; that constitutes nearly the whole of the favourable balance with respect to this so-called international trade. The truth is that the United Kingdom and the Free State purchased from us very large quantities of our natural products such as meat, butter and grain, and the money which we obtained from the sale of those goods went to the United States to purchase goods made by American artisans for consumption by Canadian families. That is the story shown by the trade returns; whether or not those returns are correct is not for me to say, but those are the figures gleaned from them as they are issued by the Department of Trade and Commerce.

Now let us go one step further. The government is reported to be negotiating a trade treaty with Cuba, another with Germany and another with Czecho-Slovakia. These questions have been discussed from time to time but, Sir, why is it that when we negotiate treaties with these communities, it always happens that the balance is against us as soon as they are completed? It is because we have nothing with which to trade; it is because the Minister of Finance was right when a few years ago, in negotiating with Australia, the first thing he did was to endeavour to increase the general tariff in order to have something to trade with. As it was, he was compelled to make a bargain, and it was a bargain as to which Mr. Bruce said he was wholly indifferent whether or not it was continued because, as he said, Canada would have to buy more and more goods in order to continue the benefits of that treaty. The point is that under existing tariff conditions and under our present fiscal policy, unrevised as it has been for so many years, this country is without any adequate weapon with which to enforce a trade treaty or carry out a bargain. No man knows that better than the minister himself, because he experienced it in Australia, and I think he is now finding it in Germany and in Czecho-Slovakia; I know that in other communities the same conditions prevail. If this country desires to bargain for trade on a business basis with foreign countries, it must have some economic weapon with which to enforce any position it may take with respect to their goods; until we are able to do that we will not be able to make bargains favourable to ourselves. In every case, with the exception of the two countries I have referred to, these bargains have been directly beneficial to those other countries but not to Canada. I observe further that even in connection with the negotiation of a treaty with Cuba, a despatch bearing date February 3, which was printed in the New York Times and also in the Montreal Gazette, said that the boards of trade of the British West Indies had met and stated that if any such preference were given Cuba, the British West Indies would have to alter their own position. I only mention that because it must have some bearing upon the empire trade to which the minister was referring. Hardly is it in his mouth to say that he is doing much for empire trade when the citizens of the British West Indies are gathering together to protest against this preferential treatment which is suggested for the island of Cuba. This would not seem to fit into the observations the minister was making a few minutes ago.

But, Sir, there is something more fundamental than these detailed figures dealing with this situation; there is at stake a principle of the utmost importance, and one that cannot be easily disregarded without serious results to the body politic. That principle is that we should never establish a channel of trade which may be destroyed at the caprice of a commercial enemy. Every time we open a channel of trade; every time we seek for our commerce an outlet; every time we develop for ourselves a means to send our trade and

commerce to foreign lands, we place ourselves in a position where it may be possible for a foreign legislature to destroy that channel over night, with untold injury to the Canadian people. One example of that arose in western Canada a few short years ago. Everyone remembers when we had free access to the United States markets with our cattle, our wheat and our flour, under the Wilson tariff. When the Republican party came into power, however, at one stroke of the pen they destroyed that free access of our raw products to their markets and brought ruin and disaster to the Canadian rancher and stockman. I assert with certainty that any trade treaty which is subject to destruction at the caprice of a commercial enemy is fraught with grave danger to this Dominion. I ask hon. gentlemen to consider that, and I ask if they do not find it so. Can we afford to disregard the call of our domestic markets; can we afford to increase our imports from the United States and decrease our domestic production in order to establish a channel of trade say between Switzerland and Canada? Have hon. gentlemen looked at the figure with respect to little Switzerland, up in the mountains? I was very much amazed when I considered them the other day; I found that from Switzerland alone we imported last year goods amounting to $9,170,000, while we sold that country goods amounting to only $1,310,000. Can we afford to establish a channel of trade with that community? One may say that they run the risk of being shut out by us, but can we afford to establish any great channels of trade and commerce between the countries of the world and our own under treaties that may be destroyed in a single moment by a stroke of a pen, which will result in the dislocation of the whole commercial fabric of the country? That is the whole problem. We on this side of the House, rightly or wrongly, believe that every legislative weapon available to the hands of parliament should be utilized at all times for the preservation of the Canadian market for the Canadian people.

Furthermore, and it is on that point that there is an essential difference between us: My hon. friends opposite are more concerned with foreign trade; we are more concerned about domestic trade. They are concerned about developing channels of trade that take our ships, they say, to the seven seas; we are concerned with bringing people to Canada and giving them work to do in the development of our country and at a proper living standard of wages. These are the problems that concern this country, and on an analysis of the budget submitted together with the figures prepared by the Minister of Trade and Commerce (Mr. Malcolm) it must be apparent that every effort is being made to send our products to foreign lands and buy products produced by cheaper labour under less decent conditions from other countries in the world. Mr. Speaker, nothing is clearer than what that means to this democracy, nothing is clearer than what it means to this Dominion in the end. How can the Minister of Immigration and Colonization (Mr. Forke) invite people to these shores if they cannot find employment? The hon. member for Comox Alberni (Mr. Neill) the other day rose in his place and read from a paper that $3,330 had been spent in twelve days by Vancouver. For what? For food for the starving and unemployed. Why? Because there is no industrial life and there is no work for them to do, and there being no work for them to do the municipality had to expend $3,330 in twelve days, or about $300 a day, in providing food for the unemployed. And what is so in Vancouver is so in other communities, and yet the Minister of Finance talks about busy Canada. About busy Canada! He thinks of busy Canada importing manufactured products made in Switzerland and the United States of America.

Mr. MacLEAN (Prince): May I ask the hon. gentleman a question?

Mr. BENNETT: Certainly.

Mr. MacLEAN (Prince): What would my hon. friend do with our surplus products in Canada while he was filling up the home market?

Mr. BENNETT: Sell them.

Some hon. MEMBERS: Where?

Mr. BENNETT: And what is more, speaking for myself personally, I would develop the markets that are imposed upon the country by the necessity of those who have to buy, as distinct from those who do it from choice. For those who seek Canada as a market from which to buy by choice are men who buy because they think they will get more favourable terms here than elsewhere, and the moment they do not they will go elsewhere. But I desire, in the future as in the past, to develop those markets with countries that seek our products from necessity, and Great Britain at the moment is one of them. Great Britain has to buy our wheat from necessity. She buys from the Argentine from necessity; she buys from India from necessity. Germany is buying to-day from us from necessity, but the day will come when Germany will have the choice between Russia and

Canada and then the market that has been established for our goods will be destroyed with dire results to this country. That is the answer which I make to my hon. friend. I say further that there is such a thing as making haste too quickly. I admit that we are living side by side with the most powerful republic in the world, side by side with a people who are the richest in the world for the moment, and the great influence that they exercise upon our economic and commercial life is apparent to every thinking man. We all know that. But, sir, we have survived. Hostile tariffs we have met, hostile legislation we have met, and we have continued a free people making a name for ourselves among the nations of the world; and when they speak here about our status as a nation, I should like to think of our economic status as well. I should like to think it is possible—and this is a digression—that the combined wisdom and the genius for statecraft of the eminent men who guide the destinies of the British Empire are equal to the task of bringing about an economic union of the states of the British Empire that will more than compare with the United States of America. Such a policy may be premature at the moment, but I have had the idea in my mind for generations—

Some hon. MEMBERS: Oh, oh.

Mr. BENNETT: Of course not generations, but many years. At any rate I do think that the development of our home market and the building up of this country is a matter that we well may consider to be the work, not of a moment or a day, not of a month or a year, but the work of a generation or two if need be. Why, I remember—

Mr. ROBB: Before the hon. member passes from that subject. I agree with him to a great extent regarding empire trade but how would his present argument harmonize with his previous argument with respect to trade with Australia?

Mr. BENNETT: I am pointing out that the difficulty of our situation in the case of Australia was that there was nothing to trade with, and my hon. friend understood that better than anybody else. He desired to trade with them and they would not have it. That is the position with respect to that matter. When I speak with relation to the empire I realize at once the magnitude of the difficulties that have to be encountered, just as the Prime Minister pointed out the difficulties that had to be met in dealing with our constitutional status. So that with relation to the economic status of this Dominion and other parts of the empire, it is not a matter that can be solved in a single day, by this legislature or that of any other part of the empire. It is a matter that can only be solved by the common consent of all the parties affected and that would be brought about by a conference such as I suggested. I remember that the late Lord Long gave the better part of the last years of his life to dealing with that problem. He had gone into the detail of every article that was manufactured or produced in every part of the British Empire, and he had dreamed that there might one day be a self-contained empire between the different units of which there might be preferences and defy hostile foreign tariffs. But it is not a matter that can be realized, as I say, in a single day or in a year. It is a matter which must be considered by men of thought, vision and wisdom from every standpoint. Because, as I have said before, this country may endeavour to make progress too quickly. We have much to learn from the old land, much to learn from Great Britain, much to learn from the early pioneers. They did not make the British Empire in a day, and we cannot make this country a self-contained country in a single hour. I answer my hon. friend's question with respect to Australia in that sense. These matters must be dealt with as a whole and not as an isolated question, and the argument I made was the best argument in the world. Because if the British Empire had a tariff with which to deal with other nations then we could make a self-contained unit of it, and found a United States within the British Empire, even as the United States of America has been founded.

I have endeavoured with respect to trade to point out the real, essential difference between us but I want to go a step further and point out the conditions under which we are now trading. Do hon. gentlemen observe that the trade figures indicate the falling off in our exports? Do they realize that the figures for the last fiscal year showed that our exports had diminished as compared with the preceding year, and the trade figures brought down the day before yesterday by the Minister of Trade and Commerce indicate still further shrinkage in our exports to the world? That, I think, is important, it is signficant. The export trade of the United States has been falling. The export trade of Canada is falling. Why? Because the nations of Europe, the war-battered nations of Europe, are getting back to normal conditions, and as they get back to normal conditions and cultivate their

soil, they are going to grow more and more of their food requirements and buy less and less from us, and we all know, whether we like it or not, that they are endeavouring at this moment to do it by every means in their power. Russia is once more coming back as a producing country with respect to grains and cereals. For that reason I view with the greatest apprehension, as a danger very serious in its consequences to this country, the diminution in our export trade. Let us look at the figures for January as submitted by the minister a few minutes ago. Those figures indicate a still further shrinkage in our export trade, and with a still further shrinkage in our export trade taking place as it is with the United States, what must be the result? We find the grand total of the export trade of this country for last January was $84,094,694 as against $84,718,819 in January, 1926. For the ten months ended in January the diminution is not a very large amount, it is true, but it is important. For that period our total export trade diminished from $1,115,416,734 to $1,106,018,792. What happens? If these nations in Europe that are buying our goods and those of other countries, find themselves in a position to supply their food and other requirements by their own efforts, it follows beyond all question that that will be a serious interference with the business of this country, and to the extent to which that trade is diminished, to that extent does it work a hardship upon the Canadian people. That hardship can be overcome only by the means which I have suggested, and I know of no other. None other has been suggested. That is the position with respect to the matter.

The minister next dealt with the question of reductions in taxation and I compliment him upon endeavouring to reduce taxation. A 10 per cent reduction in the income tax will undoubtedly effect some benefit, but I ask him whether the 10 per cent is applicable to the total tax the individual pays on the total schedule, or whether each percentage is to be reduced by 10 per cent.

Mr. ROBB: The total.

Mr. BENNETT: Then the benefit will not be as great as it would otherwise be, because the schedule varies with the extent of the income. A 10 per cent reduction on the different percentages would effect a greater benefit than a 10 per cent reduction on the total.

Mr. ROBB: My understanding is that when the statement is made out, the amount of the tax is calculated and then 10 per cent is taken off.

Mr. BENNETT: I am sure that that will bring some measure of satisfaction to all the people of this country. I hope the income tax will be entirely abolished for reasons which I will presently give.

Some hon. MEMBERS: No.

Mr. BENNETT: I understand, because I have seen the resolutions of bodies of agriculturists in western Canada, and I propose to refer to those resolutions later, but for the moment I desire to congratulate the government on having made this reduction in the income tax.

With respect to the sales tax I can only point out that it has been a very difficult tax to administer, in the sense that it requires expert assistance and help for the purpose of determining in many instances what the tax should be. For example, I think nothing could be worse than to have goods brought in from England with a case containing them, upon which a duty is imposed, and then to have sales tax added to the value of the goods and case and the duty computed upon the total of the sales tax and the value of the goods and case. It is not sound to tax a tax, and under the present tariff regulations the sales tax is added to the cost of the article and the duty computed upon the sales tax and that cost. That is the present position. It would be in the interest of trade and the development of commerce that that should be removed if at all possible.

I regret the minister has not seen fit to afford any relief to those people who desire to make large contributions to deserving charitable objects. Mr. Gladstone in one of his great budgets discussed the question of freeing the income of charities from income tax, but that is not the situation here. In this new country where hospitals have to depend largely upon benefactions obtained from well-minded people, where, in cities like Montreal or Toronto, they maintain efficient hospitals, not at the expense of the public, but by reason of contributions made by their public-spirited citizens, this government might have well considered the idea of freeing from income tax contributions made for that purpose. I had hoped that the minister would do so, because after all the hospital deals with the poor, with the indigent, with the man unable to care for himself, and as regards these facilities that are now seeking millions of dollars in Montreal, Toronto, Winnipeg and other places, how are men going to make contributions if it costs $3,000 to give $10,000? That position is one of great seriousness, and while it may be too late now, I had hoped

the minister would give it his favourable consideration. It is important in this country that men of wealth be philanthropic, but how can they be philanthropic if to give away $100,000 it costs them $35,000 or $40,000? The minister might have placed restrictions upon it, made it subject to his approval, or the approval of the government.

The same in the case with respect to education. There are men taking their place in this House to-day who have been able to get their education through the benefaction of one of the greatest and most illustrious statesmen of his age. What would have happened if his benefactions had been subject to an enormous imposition of income tax in South Africa? The subject is one of such a serious character that it might well have been given favourable consideration by the minister.

I leave that; but I now desire to proceed to a discussion of the general problem of taxation as I see it, because it is of the utmost importance that we should arrive at a clear understanding of the matter. This is only my personal view. Had I been differently situated I should have endeavoured to induce my colleagues to consider favourably the views which I now present to the House. The problem of taxation has been a difficult one in all ages and among all peoples. In the early days when votes were limited to men who had property, property only was taxed. The franchise was not held by all the people; it was held only by men of large incomes and of large estates. In some instances the landed people only had votes, and they only, you might say, paid taxes, their property paid taxes. But since the Great war there has been a tendency to increase taxation and to select everything possible for the purpose of imposing taxation upon it. No longer are we taxing thrift as we used to do; we are taxing what is to be. We are taxing turn-over and sales; we are imposing taxes upon business which we expect to come to us.

More than a century ago Adam Smith laid down certain principles with respect to taxation. At that time the franchise was held by a limited number of people. It is now held by all men of twenty-one years of age and women too of that age in Canada and the United States, and therefore the four principles he laid down are no longer entirely applicable to our condition, but they must be added to. He laid down four principles:

1. Equality of taxation.
2. Certainty of taxation.
3. Convenience of taxation.
4. Economy of taxation.

Those are the four principles which Adam Smith declared should be considered by all tax-levying bodies. But it seems to me that the time has come when a new principle must be added. I have followed with some interest in the days that are past the arguments advanced by leading tax experts in this country with respect to this matter, and I think the suggestion that has been made that universality is another principle to be applied, is a correct and proper one. In other words, if every man or woman has a right to vote in this country, we should if possible provide, as they did in the days of Adam Smith, that every person who votes to determine what form of government we shall have should also pay some tax. I do not care how little it is, they should make some contribution to the maintenance of our country's institutions.

Mr. WOODSWORTH: Do I understand that the hon. gentleman is suggesting that everyone over twenty-one years of age under our present system of taxation does not pay a tax?

Mr. BENNETT: I am coming to that in just one moment. If my hon. friend from Winnipeg North Centre (Mr. Woodsworth) will hear the rest of it, he will realize what I have in mind. Not only should they be taxed, but, if possible, it should be a visible tax. The next principle is visibility. Universality and visibility.

Are there any hon. members in this House who do not realize that there are thousands of their constituents who have no realization of the taxation problem. How many men and women realize that they are paying taxes? How many elections have been run in this country on the question of taxation pure and simple? It is true that in England that is the case, but how many times in this country have the electors been asked to deal with the problem of taxation pure and simple? If you have a tax that is felt and known as a tax by every man and woman over twenty-one, a tax that is universal in its application, I am certain that it would do much to improve conditions in this democracy, and to improve the conditions under which we labour.

My idea is this. It is not original at all. You may have seen it presented by the late Sir Edmund Walker in addresses he made to the shareholders of his bank from time to time. He believed in a universal turn-over tax, a tax by which every man who buys something will be able to make some contribution, a known contribution, a percentage levy. It is simple, it is universal, it is convenient, it is equal, it is easily collected —it has all the qualifications that were mentioned by the late Adam Smith, and in

addition to that it meets with modern conditions, and will help solve many of the difficulties that we have in this country today. Until men and women have a realization of the money that the state is spending, and where the money comes from, there will not be that intelligent appreciation of the difficulties and responsibilities of government that is so essential for the maintenance of this Dominion, and I do suggest that the Minister of Finance would be well advised to consider whether or not—there is still time—he could not devise some tax along those lines that would not have the objectionable features that attach to the so-called nuisance taxes or to the sales tax as such. As between the sales tax and a tax upon turn-over, which includes a tax upon everything that men buy, you would be able to get revenue more readily by a turn-over tax, and in larger quantities, and you would be able to make a decrease in the income tax without any difficulty in the world, because it is all a mistake, I say to my friends from the west, to think for a single moment when politicians go about the country and tell the people that taxation is all imposed on the rich man and none on the poor, that such is the case. It is not so. Every man makes a contribution to the state; everyone knows that is so. But if we impose a tax based upon the expenditures of the people, then, as the poor man has less to spend than the rich man, his contribution will be correspondingly less, but because he exercises the franchise he will make some contribution to the life of the state in the form of taxation.

I do say that it is a wholly erroneous proposition to say to the people of this country that the poor man should pay no taxes, and then say that he should vote. No man should vote who does not pay taxes, and every man who votes should pay taxes, and, as a corollary, every man who pays taxes should vote. I make that suggestion to my hon. friend, because it seems to me that this sixtieth anniversary of our confederation might be a reasonable time to consider the whole problem of taxation. Sir Edmund Walker urged it on the people of this country until he grew weary of so doing. We were more concerned in taxing people by methods and means that they could not see, than in providing taxation that they could see and understand, and to the extent to which the people are self-deceived in this matter, it is injurious to the country. I am certain of that. While it might seem to work a hardship with respect to some individuals, I am sure that in the end it would be found attractive, and would solve many of the difficulties that now confront us.

Mr. WOODSWORTH: Would the hon. gentleman suggest that the extent of such a tax as he proposes would be visible?

Mr. BENNETT: I am sure my friend from Winnipeg North Centre will realize the soundness of the observation of the late Mr. Gladstone—"I cannot prescribe till I am called in." That is the only answer that I can make. I cannot say to what extent it would be made, because that would depend upon the necessities of the occasion. The revenue requirements of the country, with expenditures cut down to the limit, would determine what percentage of turn-over taxation should be imposed.

Let me proceed to the other question, one that is wrapped up in this whole problem, the question of our national debt. I wonder if the Minister of Finance could not devise a better means than he has suggested of dealing with this problem. I am going to offer to the House a suggestion as to the solution of the problem of our national debt, and I will ask the Minister of Finance to give it his most careful, I cannot say necessarily favourable, consideration.

We have in this country coming due this year, in 1927, a total debt of $100,505,650. Here let me say that the observations made by the Minister of Finance with respect to reduction in the national debt are hardly correct statements. They have been made by successive ministers of finance; they are found in the official gazette, but the truth is that the deadweight debt of this country was reduced last year by $43,000,000. The deadweight debt was reduced to the extent of $8,000,000 in treasury notes, and $35,000,000 of bonds, which were retired out of surplus earnings of the country—a total of $43,000,000. That $43,000,000 was a reduction in the deadweight debt of the country, but in the report that appears in the Canada Gazette, and in the statements made from time to time, we have reduction in debt, and increase in debt, that takes into account not only the deadweight debt of the country, but also the bank balances and the adjustments that take place from time to time in the department. Except as to the retirement of the $43,000,000, there has been no reduction in the deadweight debt of the country, because none of it came due, and the department has purchased none of the debentures or bonds in anticipation of their maturity. So I think it might be desirable

in the future to show in the Canada Gazette the changes in the deadweight debt of the country. Every chancellor of the exchequer in England differentiates between deadweight debt and other obligations, and if we placed in the Canada Gazette a statement showing that the deadweight debt is the same to-day as it was on the 1st of January, that would be a correct statement because the deadweight debt has been reduced only by the retirement of $35,000,000 of bonds on November 1st, and a further $8,000,000 of treasury notes, making a total of $43,000,000.

I have an observation to offer to the House. I have given this matter considerable attention, but perhaps my solution will not commend itself at all to the House. We have $100,000,000 coming due this year. How are you going to meet that? Some we will pay out of surplus. How is the rest to be paid, and what rate of interest are the new obligations to carry? I propose, first, that the Minister of Finance should submit to parliament a bill to create a consolidated four per cent security of the Dominion of Canada, and I propose that the Canadian people should pay off that debt without being conscious of so doing.

Mr. WOODSWORTH: What about visibility?

Mr. BENNETT: It is going to be very visible to the people who pay it, but the Canadian people themselves at the moment will not have to pay it. The visibility will come in, in a moment. First, has this House considered who are the great custodians of the wealth of this country? There are two great custodians—the chartered banks and the life insurance companies. The chartered banks to-day have money assets of approximately $2,900,000,000. The insurance companies doing business in Canada are custodians of assets of the Canadian people to the extent of $1,250,000,000. Do you realize, Sir, that the Canadian people have outstanding at this moment insurance on their lives aggregating $5,000,000,000? Do you realize that the revenue derived from the insurance on the lives of Canadians in Canadian companies will this year amount roughly to $215,000,000, and that the income of British and foreign companies operating in this country will amount approximately to $70,000,000; that the disbursements to be made by the Canadian companies will amount roughly to $130,000,000 and by the other companies, British and foreign, to approximately $40,000,000? So that this year we may say that the surplus money derived by the insurance companies from premiums upon the lives of Canadian citizens will amount to over $110,000,000. Those insurance companies really hold this money as trustees for their policyholders, because the law imposes upon the insurance companies the obligations of management and investment under such conditions as will ensure the return of between three and three and a half per cent.

Therefore I propose that the Minister of Finance should, after creating his four cent consolidated Canadian securities, provide by legislation that a percentage, to be hereafter determined, of the revenue of the insurance companies, amounting to a net total of over $110,000,000 this year, and from the deposits of the Canadian people in our savings banks, amounting approximately to at least another billion and three quarters, should be utilized for the purpose of paying off this $100,000,000. This four per cent security I would maintain at all times at par—a very simple process. Under our Finance Act, our Department of Finance operates practically as a federal reserve board and all that the insurance companies would have to do if they required additional money would be to deposit, either through their banks or with the Minister of Finance, the four per cent consolidated securities and receive the money from the federal reserve board. All that the banks would have to do would be what they have already been doing, as you will observe from the returns brought down by the Minister of Finance, deposit these securities with the Minister of Finance and obtain for them the money which enables them to carry on their business.

Now, Sir, if we adopted some such plan as this by which the savings of the people would be made available to take care of the obligations that mature this year, we will have done two things; first of all, we will have provided for those who have policies of insurance an unquestioned and stable security; secondly, we will have enabled the banks, who pay three per cent on their deposits, by purchasing a small quantity more in addition to the securities they now hold to add a measure of stability to their own assets. In addition to all that we will have provided that the interest upon that part of our loan which is not met out of surplus will be paid to Canadian people and not to foreigners. That I consider to be a matter of vast importance at this time. Lastly, we will have saved, not a million dollars as my hon. friend the Minister of Finance asserts, but by adopting such a plan we will have saved for the people of this country next year and the years following not less than $1,700,000.

I submit, Sir, that the time has come, for this parliament in the exercise of its unquestioned authority and power, to say that these deposits of the people should be utilized to the extent necessary to provide for the maturing obligations not met out of surplus. At the same time we would have created a security that would rank with the consols of England, a consolidated four per cent Canadian security that could be issued from time to time. Mark you, we have over a billion dollars of the national debt maturing before the end of 1937. If we took care of these maturing obligations in the manner I have suggested we would save to the Canadian people $15,000,000 per annum, which saving if utilized as an amortization fund would, within the period that England has fixed for the payment of her debt to the United States, retire the national debt of this country and leave us a country free of obligations.

Now, mark you, Mr. Speaker, I submit this not as embodying the views of my colleagues behind me, but merely as representing the views that I have arrived at after giving the matter some consideration and attention over a period of years, believing that if I had an opportunity I might be able to convince my colleagues of the soundness of such a measure, which, properly worked out, would assure, as I have said, stability to the savings of the people of this country, placing their security upon an unquestioned level of safety, and at the same time giving to the people the opportunity of having their resources utilized in reducing our national obligations incurred by reason of the war and its after effects.

Mr. DUNNING: Would my hon. friend permit a question before he leaves that subject? The percentage figure would, I take it, be rather vital in any such scheme. He has given a great deal of thought to the question, and I should like to have his view as to what percentage it would be necessary to levy.

Mr. BENNETT: That is the turnover tax?

Mr. DUNNING: No, this security. My hon. friend mentioned a percentage.

Mr. BENNETT: My hon. friend the Minister of Railways has asked a very pertinent question. I say the life insurance companies have to make deposits, and those deposits are increased from year to year by reason of the increased business they transact, as my hon. friend knows. There is in force in Canada at the moment life insurance of not less than $5,000,000,000, and the assets of the life insurance companies amount to not less than a billion and a quarter dollars, and the surplus premiums available for investment by the life insurance companies during the year amount to not less than $110,000,000. The banks have not less than a billion and three-quarter dollars saving deposits, probably more, and if you take the loan companies and the provincial savings banks the total deposits probably amount to at least $2,000,000,000. Now, the only problem is the problem of an adjustment. I propose that each of the insurance companies and each of the banks should make up the balance of the hundred million dollars to be provided for this year after taking into account the surplus which I understand the Minister of Finance hopes will amount to about twenty million dollars. That would leave $75,000,000 to $80,000,000 to be distributed between the banks and insurance companies in consolidated four per cent securities. The banks and the insurance companies would suffer no loss, except a possible interest-earning power, because my friend the Minister of Railways must have observed from the last return of the Finance department with respect to the banks the vast unemployed sums of savings that they have in their hands. These would be available for that purpose. I would not deprive the banks of their earning power because they are paying three per cent on their deposits and would be getting four from this security. If they require more money to maintain the equilibrium between demand loans and demand deposits and between time loans and time deposits the federal reserve board—the Finance department—would provide for their requirements. It would be a continually revolving credit scheme. That is the conclusion at which I have arrived.

Mr. WOODSWORTH: Does the scheme involve setting up something of the nature of a federal reserve bank?

Mr. BENNETT: No, Mr. Speaker, because we already have it—the Finance department to-day is a federal reserve bank. I suppose my friend studies the bank returns in the Canada Gazette. If so, he will have observed that the banks from time to time are borrowing from the Finance department sums of money on deposit of bonds of the Dominion of Canada and other securities.

Mr. MANION: Under the Finance Act.

Mr. BENNETT: Yes. That information was contained in an answer by my hon. friend the Minister of Finance to a question asked the other day by the hon. member for Wetaskiwin (Mr. Irvine).

Mr. ROBB: I wonder if I understood my hon. friend clearly. Under his plan would we pass legislation to compel insurance companies to loan a certain amount of money at four per cent?

Mr. BENNETT: No.

Mr. ROBB: And if so, to that extent would it not reduce the profits to the policy holders?

Mr. BENNETT: I have endeavoured to point out that the object is not to compel the lending of money but to do in amplified form what we have now done, to make it compulsory that part of their investments shall be made in four per cent consolidated bonds of Canada. Undoubtedly, to the extent to which they utilized these four per cent securities, there would be a diminution in the interest rate, because the average rate earned by Canadian companies to-day is roughly over six per cent while that earned by American companies is approximately over five per cent. But we should select the form of investment.

I did not bring into the chamber with me from my room the insurance returns, but if hon. gentlemen are interested enough to examine the investments of the insurance companies they will find that they have a large number of just such securities—guaranteed Canadian Northern, guaranteed Grand Trunk Pacific, and some of our own securities. If we deal with the matter in the manner I have indicated it would only be doing what we did during the war; it would compel them to make investments of certain kinds. The government has already proposed in this session to increase the deposits made by these insurance companies. If my suggestion were carried out there would be some diminution in interest profits, but in view of the fact that there are such vast profits earned over and above the money necessary to take care of reserves at three and three and a half per cent, no hardship would be imposed upon the Canadian people, who would realize that their savings, although the profits of the life insurance companies might be affected—and as my hon. friend knows, life insurance is intended for protection rather than for profit—would be available for the whole of the people, while the trusteeship obligation imposed on the companies would be better discharged by reason of the stability and certainty of the securities.

Mr. MILLAR: Many of these insurance companies are also large mortgage loan companies. If I rightly understand the hon. member's suggestion, it would open up another field of investment. Would that not leave a shortage of money for business in other directions?

Mr. BENNETT: It would work no hardship on anyone with respect to this year, because we have only $100,000,000 coming due this year. Does my hon. friend realize that it cost us $3,000,000 for the flotation of loans last year? That amounts to three per cent on $100,000,000.

Mr. DUNNING: Merely for purposes of clarification, and summarizing my hon. friend's scheme, is it not really compelling the insurance companies and the banks to loan money to the government at four per cent regardless of the current rate?

Mr. BENNETT: My hon. friend has not correctly stated it.

Mr. DUNNING: I just want to have it put correctly; I am not indulging in any captious criticism.

Mr. BENNETT: By putting a question you think you expose a fallacy. I know you well enough.

Some hon. MEMBERS: Louder.

Mr. BENNETT: I was making an observation to the Minister of Railways which he quite understood; it was not necessary for the rest of the House to hear.

Some hon. MEMBERS: Oh, oh.

Mr. BENNETT: It is not compelling the banks nor the life insurance companies to lend their money; it is merely providing a trustee security that would prevent the occurrence of another Home Bank failure, for instance, or the breaking up of an insurance company as happened many years ago, because the rate reserved for interest on life insurance investments in this country is fixed by statute at less than four per cent, and it would leave a substantial profit, both to life insurance companies and to the banks, if my proposal were put into effect. I repeat, it is not compelling them to lend, but merely providing a compulsory trustee investment, which is but an amplification of the present provisions of the Life Insurance Act.

Mr. DUNNING: But a controlled rate of interest.

Mr. BENNETT: Just as Goschen carried through his great conversion scheme, and just as two chancellors prior to him were compelled to convert securities in England, so this country in the present moment of stress and strain should utilize the savings of the people in the interests of the whole population.

Mr. BROWN: I understood the hon. member to say that one effect would be to reduce the profits of the companies.

Mr. BENNETT: Yes.

Mr. BROWN: Is a further effect not likely to be an increase in the premium charged policy holders?

Mr. BENNETT: I am, of course, only elaborating a plan that has grown in my mind after some consideration, and it does not follow that the plan is at all sound in detail, for I have not worked out the details. However, replying to my hon. friend, let me point out that the premium rates now charged, with the present rate of interest reservation as provided by statute, yield an ample surplus which results in large profits; and the effect of the diminution of profits could not possibly work a hardship upon anybody while it would be to the advantage of the Canadian people. We did it during the war. We imposed that restriction then with respect to deposits of life insurance companies and their investments.

Now, Mr. Speaker, I have trespassed a considerable time on the attention of the House, and while I have covered a good deal of ground there are many matters to which, in detail, I shall find it necessary to devote some attention when the resolutions are before us in committee. May I before concluding point out that although there have been fifty-two references to the tariff advisory board there are no recommendations from that board before the House for consideration. A year has gone by and no provision of any kind is forthcoming with respect to the deliberations and the findings of the board. Why was the budget introduced nine days after the reassembling of parliament? I will tell you why, Mr. Speaker. Pressure on the part of those people who are vitally interested in the tariff was so strong that the Minister of Finance had either to yield or to deliver his budget and get away from the agony. He chose to deliver his budget and so obtain some relief, as of course he had a right to do. Now, while budget speeches in days gone by have been delivered early in the session—a reference to the dates will show this—I can recall no session in which the budget has been delivered virtually nine days after parliament has met. And the only reason the minister can have for bringing down his statement so hastily this year must be his desire to escape embarrassment in relation to the tariff advisory board. The board can, of course, take no action; it can but state the facts, and when the facts are made known it is for the minister to act. And the minister, with his high regard for Canadian industry, with busy Canada ever in his mind, thought it better to avoid dealing with those complex problems that have been submitted, fifty-two in number, for the consideration of the board, of which references, I learned this morning, thirteen had been disposed of. Returns have been made in respect of thirteen of the fifty-two, but of these we have none before the House now for study. In the absence of any information on the subject we are now told that the tariff continues.

How rests it with the Minister of Immigration? I wonder whether in the dark recesses of his mind he ever reflects upon those halcyon days gone by, when from this side of the House he unburdened his logic and free trade sentiments upon an admiring House? I wonder how my well known protectionist friend, the Minister of Finance, is able now to induce the Minister of Immigration to believe that, after all, all is well in Israel. There are no changes; the status quo must continue. Where then are the tales of that ancient past, that long ago when vituperation and the thunderings of the Minister of Immigration and some of his friends reverberated through this chamber? What has become of it all? Gone, forgotten, remembered no more. And why? Because the hon. gentleman has been taken into camp and all is well in Israel. At any rate, it does occur to me that we see therein an excellent reason why this budget is being introduced at this early stage. I congratulate the Minister of Finance upon his decision to make no further attacks upon Canadian industry. I congratulate him upon the courage he has shown in retaining the one legislative weapon whereby he may protect the Canadian workman and see to it that he gets something to do. I congratulate him upon his desire to see that Canadians shall be occupied instead of being idle. But I say, Mr. Speaker, that this country must have more people; otherwise it cannot continue to function as a nation. You can only get more people in this country by making it more desirable for men to live in, and you can only make it more desirable to live in by providing work for the men who come to live here. Why do not my hon. friends cheer now?

Mr. DUNNING: I did. It is your method I do not like.

Mr. BENNETT: My friends emulate it so often that they must indeed admire it. But in all seriousness let me ask how we can hope to get people into Canada; how does the minister hope to get additional people into Canada?

Mr. FORKE: They are coming.

Mr. BENNETT: Yes, and in a consul's office the other day I saw a list of those who desired to leave; when my hon. friend says they are coming, they are coming to go. We are becoming a community where these people seek an abiding place until they may find a home to our south. That, Sir, we must stop, and we can only stop it by giving employment to our people, and we can only give employment to them if industry is profitable and productive. I fully respect the opinions of others in this matter, but I do know that the reading of those figures during the last two days has convinced me that we are buying millions and millions of dollars worth of goods, in fact hundreds of millions of dollars worth, from foreign countries, giving employment to foreigners and in many instances to Canadians who have left this country when we should be giving employment to our own industrial workers.

I am satisfied that the minister will not be able to keep people in this country unless we make a determined effort to develop our great natural resources rather than export them in the raw state. Rather than do that we must manufacture and fabricate them ourselves and so give employment to our citizens so that they will be able to become Canadians and make their homes here. I know the difficulty of that problem; I have not lived in western Canada for all these years for nothing. I have heard the farmer declare time after time that he has to sell his wheat in the open market and he should buy his goods there. But we must realize now that we must so adjust our commercial and financial system as to meet successfully the competition of the world in our markets, unless we are to become hewers of wood and drawers of water and send our raw material out of this country to give employment to the workmen of other lands.

The fact remains, Sir, that this country has made progress under just such a system, and to the extent that we have interfered with it the country has gone back, as the population shows. The greatest indictment that can be brought against the Canadian people and Canadian governments is that we have not been able to retain the people we have brought here, let alone take care of our own natural increase. But in my judgment we have made the greatest contribution to history, in one sense, that the world has ever known. There has never been a people so few in number, inhabiting a country so vast, who have accomplished so much. We have provided facilities by railways and canals for 25,000,000 people; we have envisioned a future of hope and faith, yet the fact remains that the great years of our struggle are now upon us.

The courage, the enterprise, the resourcefulness and fortitude of the Canadian people have made possible this Dominion. For sixty years we have grown in stature, in power and in position in the world, but reading the figures of to-day in the light of world history we must determine one of two things. We must decide whether from choice we will permit our resources to be diverted into foreign channels or whether, with courage and fortitude, we will continue to plough our furrow and go our appointed way, building slowly but surely, knowing—aye, knowing—that the day is not far distant when the very people whose high tariffs and offensive legislation have kept us out of their markets will have to come to us for the raw materials on which to subsist. That is one great vision before the Canadian people.

I congratulate my friend the Minister of Finance to-day; he has yielded to no importunities and to no pressure; he has at least maintained his faith in the fiscal system under which this country has grown great, and on the maintenance of which its future integrity depends.

On motion of Mr. Coote the debate was adjourned.

Hon. J. A. ROBB (Minister of Finance): I desire now to move that on and after Monday, February 21, the order for the consideration of the motion for Mr. Speaker to leave the chair for the House to go again into committee of ways and means have precedence over all other business except the introduction of bills, government orders, questions and notices of motion for the production of papers, until disposed of.

Motion agreed to.

Mr. GUTHRIE: Do I understand now that the debate is adjourned until Monday?

Mr. MACKENZIE KING: Yes.

DIAMOND JUBILEE OF CONFEDERATION

PROPOSED NATIONAL COMMITTEE

Hon. W. L. MACKENZIE KING (Prime Minister) moved the second reading of Bill No. 65, to incorporate a national committee for the celebration of the diamond jubilee of confederation.

Motion agreed to, bill read the second time and the House went into committee thereon, Mr. Johnston in the chair.

Section 1 agreed to.

On section 2—incorporation:

Mr. WOODSWORTH: When the motion on which this bill is based was before the House I took some exception to the activities as outlined of this proposed committee, as well as with its personnel. It seems to me in the first place that this is an excessively large amount for a celebration which, as far as we can determine, will consist very largely of flag-waving, especially when we do not have, as at the present moment, a distinctly Canadian flag to wave. It seems to me that if the people of Canada wish to celebrate a great event such as this, a considerable number of voluntary contributions might be available, and then all the money would not be taken directly out of the pockets of the people. I am quite well aware that in the budget speech a good deal has been said, as usual, about the prosperity of the country, but I also remember that we have at present absolutely no provision for the very considerable number of people unemployed at this particular time in Canada, and whenever we introduce a measure calling for social legislation to meet needs of this character we are told that the finances of Canada are not in a position to stand the strain. I submit that as long as there is a single person in need in this country we ought not to go into an extravagant expenditure of this character. We have just passed through the Christmas season, when the most pathetic appeals were made in almost every city of this country by charitable institutions of all kinds for the relief of the poor and the distressed. I take it, Mr. Chairman, that these considerations ought to be in our minds before we accede to the suggestion that has been made by the government in regard to this matter.

We read that in the olden days when the Jews wanted to celebrate a jubilee, they allowed the debtors and the slaves to go free. I would suggest that something of that kind might very well mark a celebration of nature. We have an enormous national debt. If we could in some way get rid of a proportion of that debt it would permit of a great deal more rejoicing than we would have under a scheme of this character. In the days of feudalism when there was a great celebration we are informed that they roasted a whole ox and allowed everybody to come to the feast. In this instance we are preparing for very elaborate and somewhat exclusive celebrations. It is something like asking a few people to a turkey dinner who quite habitually dine on chicken. As I read the long list of dignitaries and functionaries, with the exception of the hon. member for Southeast Grey (Miss Macphail) of course, I notice there are a very large number who occupy official positions, and I submit that the great majority of the people of Canada will have very small opportunity to participate in these festivities. We are inviting outside visitors, accustomed to very frequent celebrations, and will provide very elaborate entertainment for them, but what about the mass of the people across the country who will pay the bills? The Prime Minister told us the other day that the committee was generally representative. I observe that there is a long list of names, but I am not sure that the committee is representative of the rank and file of the people. The Prime Minister also told us that it would not do to put any representative of labour, for example, on the committee as that would amount to class representation. I note, however, that the names of the president of the Canadian National railway and the president of the Canadian Pacific railway appear in the list. Mr. E. W. Beatty, the president of the latter organization, said the other day in a pamphlet which was published by the Canadian Pacific Company that the Canadian Pacific was Canada's first citizen. If that statement goes unchallenged —and I had rather thought the Prime Minister himself might be considered Canada's first citizen—and if the Canadian Pacific is Canada's first citizen it is quite fitting that the president should be on this committee. But if the president of a private corporation is to be on this board there is no reason why the president or other officials of leading public organizations should not be there also. If the celebration is to be truly educational in its character, and I have gathered from the public announcement that such is to be the intention, it is quite fitting that there should be representatives of the organized teachers on the committee. I observe that there is to be a representative of the Canadian Battlefields Memorial Association. Looking to the future of the Canadian people I fancy that the presence on the board of some of the teachers of the country would be of immensely greater importance than that of the president of the Canadian Battlefields Memorial Association. On the committee there are also to be representatives of several women's organizations, among them the Imperial Order of Daughters of the Empire. I have no particular objection to this society being represented, but I would submit that whilst this organization numbers a membership of a few thousand, there are other groups of people in this country who number hundreds of thousands. I think of some of our newer citizens, hundreds of thousands of whom have

located in this country—for example the Ukrainians. Perhaps eastern people hardly realize the extent to which our immigration policy has brought to this country, for good or bad, a large alien population. These people are now located in Canada and playing the part of good citizens. I am glad to note that we have one representative of the Ukrainians sitting in this very corner of the House. He is simply the forerunner of scores of others who will be here very soon, and other nationalities will have their representatives. What about these people in connection with such a celebration as this? I submit that if it is right to have a representative of the Imperial Order of Daughters of the Empire, we might also, looking to the future unification of the peoples of this country, have a representative from the newer Canadians who are locating in such great numbers in western Canada.

I do not want to labour the matter, but if we are to have a celebration I would urge that it be made distinctly educational in character, and instead of consisting largely in the glorification of what our forefathers did sixty years ago it might be made a means for binding together the different parts of this Dominion and for remedying some of the weaknesses and evils which exist even under the system of confederation.

Miss MACPHAIL: I had not the slightest idea that labour had been refused a place on this committee. Nor did I know, until one of the hon. members in this corner mentioned the fact to me, that my name is on the committee. I love Canada. There is nothing odd about that because it is my native land. I have never lived in any other country, and I do not intend to, I would like very much to have Canada happy and merry at this diamond jubilee, but I would also wish it to take stock of itself. If we could have a celebration free from these crazy military parades I should like it very much. The visitors who are coming to us for the celebration should be impressed with the importance of the work we are doing—I do not mean the people here but the people back home; and if the visitors are in a position to learn something of our industries, something about the fine work our people have done, something of our possibilities for the future, I should be very glad indeed to be identified with such a celebration. The hon. gentleman who has just spoken (Mr. Woodsworth) was quite right when he said that we are asking people to a banquet who have too many banquets, whereas those who, possibly, have not even enough food, certainly not enough of beauty or culture or the more delectable things of life, will not have any part in this celebration. I want to protest against the using of my name without my consent because I am the representative of a class group. I represent agriculture. If I do not, I represent nothing at all, and if I cannot go on the committee as the representative of a class, I will not go on at all, because that is the whole philosophy of my political life. If labour has no place on the committee, then I say agriculture will have no place either, and I ask that my name be withdrawn.

Mr. MACKENZIE KING: Might I say to my hon. friend (Miss Macphail) that in proposing that her name be inserted as one of the national committee, I did so because she holds a distinguished and historic place in this country as the first woman to be a member of the parliament of Canada, and it is as a member of the parliament of Canada, which represents all classes, all creeds, and all the people of this Dominion, that I hope she will allow her name to remain. I did not ask her permission; I have not asked the permission of any one whose name is on this list. I refer to myself because I have a certain special responsibility in presenting the names of the national committee. Some beginning has to be made with the organization of a celebration if there is to be a national one. The government might have taken the matter in hand and dealt with it departmentally. The Department of Trade and Commerce or my own office—that of Prime Minister—might have undertaken, so far as the government was concerned, the carrying out of the celebration. We felt, however, that it would be more in accord with the wishes of the people of Canada generally if the matter were treated, not as a departmental or party matter, but as broadly national in character and we therefore are seeking to have a national committee organized.

As I explained the other night, to get a representative committee of any size organized, some group of individuals have to be brought together to undertake the preliminary work of organization. The government was faced with the alternative of having a committee that would be chosen because of the representative character of the persons who are on it, having regard to what we refer to as an official list, or of seeking to embrace in one committee all the societies and organizations that might wish to have representation on a body of the kind. When one began to go over the lists of the different organizations, one was confronted immediately with a variety of considerations. Education, for example, comes under the jurisdiction of the provinces; if the educational institutions

of one province were to be put on the provisional committee then we would have to have on the committee representation from the educational organizations of every province.

Mr. WOODSWORTH: Why not?

Mr. MACKENZIE KING: Because all that kind of representation will be worked out by the executive committee that will have the actual celebration in hand. I am coming to that phase. I am seeking now to explain that the purpose of the government in putting the names it did on the list is simply to form an incorporated body that will have authority to form an executive, which executive will be charged with the duty of carrying out whatever arrangements may be thought best to make the celebration all that my hon. friends opposite would wish it to be.

Let me come to the next consideration, the matter of religious organizations. I assume that religious organizations will wish to take part in the celebration of the diamond jubilee. If we begin on a provisional committee to include one religious organization, then we shall have to include the others. I have at the moment before me a letter received from the Catholic Women's League of Canada, a very important organization, requesting that the name of the president of that organization should be added. I have no objection; in fact I would like very much to see the name of that lady added to the list. But if her name is added, immediately there will be some Protestant organization that will feel that it should be represented, and the name of its president will have to be included. All denominations will be demanding representation on religious grounds. If we take the patriotic societies, there are the St. Andrew's society, the St. Patrick's society, the St. George's society, the St. Jean Baptiste society, and other organizations that will undoubtedly be participating when the week of celebration arrives. If we are to have the heads of all these organizations on a provisional committee to form an executive, one can see in a moment that the numbers will be unwieldy. What the government has done is to take for the personnel of the national committee those whom the citizens of this Dominion themselves have so to speak decided should be, in this particular year, the representative citizens of the Dominion. Their Excellencies the Governor General and Lady Willingdon are here in a representative capacity. The lieutenant governors who are at present in office happen to be the lieutenant governors of this year and their names have been included without regard to who they are or from what party they may have come. The premiers of the different provinces are included, not because they belong to any particular party or are interested in any political group, but because they happen in this year, 1927, to be the premiers of the different provinces. A certain number of members have been chosen who are privy councillors, in some cases because they are members of the present government; in others because of membership in previous administrations. In two or three cases in particular names have been inserted because they are those of the oldest members of the Canadian parliament. The names are chosen from different political parties so that no one party will be in a position to control the situation. The presidents of the railways have been chosen for the reason that in the matter of preliminary organization probably no advice will be more helpful to a committee than that which can be given by the executives of our great railway organizations. Moreover, we may have occasion during this celebration to expect a good deal of the two great railway systems, and I think the recognition of their presidents on this provisional committee is one that will commend itself pretty generally to the country.

May I make it perfectly clear that there has been no desire to exclude anyone? The idea as regards names has been simply to find a representative group which will comend itself to the country at large because of its representative character as a group that can be entrusted with the duty of selecting an executive. The executive will then begin to discover all of the organizations in Canada that wish to participate in the celebration and will seek to make the celebration what public opinion undoubtedly will expect it to be. There is no question that the educational side of the celebration will be the first and main feature of it, and that every effort will be made by the executive committee to link up every Canadian organization that should be included. But that is a task which an executive committee is much better able to carry out than a very large committee. I repeat that it would be extremely difficult to suggest any committee from which a very large number of most appropriate names would not be excluded. I wish to emphasize to the committee the fact that the only purpose of the government is to secure a representative body that can be entrusted with the expenditure of whatever money there may be in connection with the national celebration of the diamond jubilee of confederation in a manner that will be likely to accord with the desires and wishes of the people of Canada as a whole.

Miss MACPHAIL: Is it true that no person who really represents the ranks of labour is on this committee?

Mr. MACKENZIE KING: My hon. friend has just told us that she does, and her name is on.

Miss MACPHAIL: I represent agriculture.

An hon. MEMBER: Is that not labour?

Miss MACPHAIL: I mean industrial labour. I represent agriculture. I understood the Prime Minister to say that it was not because of that I was on the committee but because I was the first woman member in the House of Commons. While parliament does represent all classes of the people, I am here as a result of organized agriculture and I must represent them on the committee or not represent anything. If it is true that the ranks of industrial labour, indeed all classes of labour, are not represented on the committee in any official capacity, I do not feel that I can allow my name to remain. I do not like to say that, but the great difficulty of the labour classes, including agriculture, has been that too many of the people who represent them, on the first agreeable opportunity, get out of their class into a more comfortable one, and so, even at the expense of seeming foolish to the House of Commons, I would not appear to do so. Looking over the names here, I see they do not belong to my class, and unless I can go in as one of my own people I would not care to go in at all.

Mr. MACKENZIE KING: Might I suggest to the hon. member, as it is now nearly six o'clock, that perhaps between six and eight she would have a word with some of those who are associated with her at the moment in discussing this matter, and give me the names of two or three persons who would be representative of the classes they would wish to have represented. I shall then be happy to move in committee that those names be added.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. CHURCH: Mr. Chairman, when the committee rose at six o'clock it was considering a bill to incorporate a national committee for the celebration of the diamond jubilee of confederation, to cost $250,000. I fail to see that there is any demand from the people of Canada for a celebration of the sixtieth anniversary of confederation. Why should we spend $250,000 of the taxpayers' money for such a celebration when several hundred thousands of our citizens over in the United States will celebrate the anniversary of the Declaration of Independence on the fourth of July? Probably the Liberal party feel the need of celebrating their great victory of last September. We on this side of the House have not much to celebrate, but we hope to have in the years to come. We are not a practical people.

We cannot solve our most common economic problems. Talk about spending $250,000 on a diamond jubilee celebration! Mr. Chairman, let me tell you that there are over 160,000 returned men in the United States to-day who fought for their country on the battlefields of France and Flanders—a country that they have had to get out of. More than 50,000 of those gallant men lie buried where they fell fighting for France. Six thousand men from Toronto, many of them Orangemen, lie dead there. They fought for France and the French language, a land that expelled the Huguenots, and as I say, many of them were from Tory and Orange Toronto.

The only demand for this celebration is from a lot of Canadian clubs that are no more Canadian than Empire clubs are imperial. If this $250,000 is intended to celebrate the brilliant dream of empire under the principle of separatism, to emphasize our new status, all very well and good, let the Prime Minister put it in the preamble of the bill. But why celebrate the sixtieth anniversary of confederation? Confederation has not been such a shining success that we should desire to spend $250,000 on its celebration. With the economic problems now confronting this country I see no occasion to shout from the housetops about our status and our diamond jubilee.

I hold in my hand, Mr. Chairman, a book containing an attack on Sir John Macdonald, one of the pillars and founders of confederation, written by W. Stewart Wallace, librarian of the university of Toronto. This is the kind of textbook that is used in the university of Toronto, a textbook attacking the great founder of confederation. Perhaps to be fair to the professor I should read his actual words:

> There are few figures in Canadian history on whom the historian finds it more difficult to pass judgment than on Sir John Macdonald. In his lifetime he was either loved or execrated; and to this day opinion is divided with regard to him.
>
> Those who contend that his was a pernicious influence in Canadian history are not without reasons for their belief. He had some grave faults. He was for many years addicted to

the heavy drinking habits of his day and generation, and his behaviour was not always such as befitted the prime minister of a great dominion. He did very little to raise the moral tone of political life in Canada during his lifetime, or afterwards. He studied human nature, as Goldwin Smith said, "perhaps too much on the weak side". If he was a past master in the management of men, it was by playing on their foibles and weaknesses, rather than by appealing to their better natures. Though himself above the acceptance of a bribe, he was not above the indirect bribery of other men. There was, indeed, in the rough-and-tumble of political warfare, hardly a weapon in his armoury which he would not use. The "Pacific Scandal", the gerrymander of 1882, the Dominion Franchise Act of 1885—these are only illustrations of the lengths to which he was prepared to go.

That is a straight libel on the great founder of confederation, the man who made this country what it is to-day, the man who put protection on the statute books. And we are asked to pay $250,000 of the people's money on a celebration of the diamond jubilee of confederation when one of its principal founders is thus libelled by an employee of the Ontario government, a professor in the university of Toronto! If the Canadian clubs and the Empire clubs want to have such a celebration let them pay for it. As I say, we on this side have not much cause to indulge in a celebration. And I admit that our United Farmers of Ontario friends are pretty much in the same position in view of the two last general elections in the province of Ontario; they have nothing to celebrate. But if they do wish to celebrate, let them hold forth banners with such inscriptions as, "Platforms are to get in on, not to stand on." "Free trade for Canada." Free trade for Canada, Mr. Chairman, has driven hundred of thousands of our men to the United States where on the next fourth of July they will help celebrate the Declaration of Independence.

I am not a bigoted Conservative; I am a very moderate party man, because there is a lot of good on the other side of the House as well as here. Our friends opposite secured a majority at the last election, and we have to be good enough sports to congratulate them on their victory, we have to be good enough sports to admit that they are a pretty good looking body of men, from the young Prime Minister and the Minister of Justice —a handsome young man—to their humblest member. We admit over here that we have not much to celebrate. We put our party in the cemetery last September, and once you get in a cemetery, whether you are an individual or a political party, nothing but a miracle will get you out.

[Mr. Church.]

Here is another textbook which is put into the hands of the school children of the province. Let us see what it has to say:

After the election of 1887, Mr. Blake retired from the leadership of the Liberals, and then they chose a man destined to play a part in Canada second only to that of Macdonald. Perhaps the most striking characteristic of Wilfrid Laurier was his courtly manners. Politics in Canada had lacked the graces of life. Such terms as "trickster", "imbecile", "traitor", were too often heard; Macdonald himself once called an opponent in parliament a pup and threatened to "slap his chops." Laurier, however, bore himself with stately dignity. He was never off his guard, and his sternest denunciations were always on a high level of refinement. Men were, indeed, tempted to think him a dreamy scholar, while, in fact, he could, as need arose, be stern and strong. It was something that, at a time when racial and religious feeling was acute over the Riel question, a French-Canadian and a Roman Catholic should be chosen as sole leader of the Liberal party. In earlier days a French leader like Cartier had had to share authority with an English-speaking colleague; but national unity in Canada had grown, and now, from the Atlantic to the Pacific, the Liberals followed Laurier and in the end carried him into power.

I have nothing whatever to say against the Liberal party. They will be welcomed in Toronto at any time, and I may tell hon. gentlemen that that city has no bigotry. Sir Wilfrid Laurier was popular in Ontario among the Conservatives as well as the Liberals and he gave the country what he thought was good government. But it will be seen from this quotation what sort of literature is put into the hands of the school children.

Now, I fail to see what we have to celebrate. We are not practical people. Here we are proposing to celebrate confederation and the government apparently fails to consider the situation of the returned men. What room is there for rejoicing when you think of the position of these men and when you reflect upon the hundreds of thousands of our Canadians who have been driven across the border into the United States to look for jobs as a result of the free trade policy of the government? About the only people who are getting any really good jobs are the members of the committee of ambassadors which this government has appointed, ambassadors to all the countries in the seven seas, one of whom has just gone to Washington. I say, there is nothing for us to celebrate, and the Canadian people are not given to that sort of thing. The only occasion on which you can get a decent parade in Toronto is the twelfth of July, not the first. Then you can muster from twelve to fifteen thousand people in the parade. Strange as it may seem, many of those who view the great

walkout and attend the picnic at Exhibition park are Catholics. But apart from that, parades generally are a flat failure. And in any case the first of July is not by any means an ideal time for any great demonstration. The weather is too hot.

I have nothing to say against the men and women who are selected for this committee. But there are thousands of our citizens in the United States who will look with mixed feelings upon this celebration. It seems to me that we ought to make some attempt to settle our economic problems with a view to preventing the further exodus of Canadians to the United States, and let those who want to celebrate pay for it. The money could be spent to far better purpose in giving employment to needy men generally, and particularly to our returned soldiers. Many of our returned men sacrificed all they had in the interests of the country and now they are getting a raw deal. The Canadian clubs which are behind this movement are no more Canadian than the imperial clubs are imperial. This $250,000 will be spent on a few banquets, the playing of a few party tunes, and generally the raising of a great hullaballoo, and everybody will be saying what a huge success confederation has been. That is all very well; but has confederation been such a success when you come to think of it? Does the Duncan report lead us to think so? Are all these various problems which are pressing for a solution likely to be settled in such a way as they would be if confederation were so successful as to warrant the celebration contemplated? I know a lot of people who will celebrate the confederation of Canada. They are the American millionaires who have come over here and seized our waterpowers to exploit the products of our forests, mines, and other resources. Canada is the happy hunting ground of such people and these American millionaires will certainly shout loud hurrahs, for they have reason to do so. I do not blame the Dominion government for having given away the resources of the country which we Canadians ought to develop for ourselves. The provincial premiers are in many instances to blame. In Ontario, at any rate, various premiers have surrendered to the American millionaires more territory than was given away to favoured people in the time of George III.

I have said before, and I repeat it on this occasion; what this country needs is a Mussolini who will stand up firmly for the rights of the people and protect our interests in various directions, in lumbering, fishing, mining, agriculture and so forth against encroachment from outside. What has Mussolini done for his country? Let me quote one very significant statement of his: "We have translated into action what we promised in words." Have we ever heard of any prime minister here translating into action what he promised in words? Mussolini says:

> A recent example of how the spirit of silent work has thoroughly saturated our people is shown in the construction of the new railroad along the Ionian sea in Calabra. The work of constructing this railroad has gone on silently and laboriously for many months. Thirteen new and extensive bridges have been built, and yet not in a single case was there a speech delivered, whereas formerly such events were accompanied by orations and the blare of trumpets, the clapping of hands and great shouts of joy. The joy was there and the events popular, but no speeches overdid it with useless words.

Mr. SMITH (Stormont): Mr. Speaker, I rise to a point of order. Just what bearing has this discussion?

Mr. CHURCH: They don't celebrate in Italy. They do things. I am referring to the way they do things in Italy. Even if there were a constituency of Long Lake there, they would not spend money in it for a celebration like this. Actions speak louder than words.

The CHAIRMAN: I was just going to ask my friend to address his remarks a little more closely to the matter before the committee.

Mr. CHURCH: I think I am quite in order, Mr. Chairman, and if necessary I can cite the authorities. When we come to that particular section I would like to make a motion that the amount to be spent be reduced to $1,000, because the people are opposed to such extravagance by the government. We are spending $250,000 on a celebration when we have nothing to celebrate. Are we to celebrate the exodus or our new status, this new dream of empire under which we are a separate country and can make our own treaties, under which we have an ambassador going down to Washington? Are we to spend $250,000 of the taxpayers' money to celebrate our becoming the Mexico of the north?

I could go on almost indefinitely, but I would suggest to the Prime Minister that during the celebration a portrait of the board of strategy, accompanied by a portrait of the Minister of Immigration (Mr. Forke) should be unveiled and would probably be suitable for presentation to the museum. I might also suggest that a portrait of Sir Henry Thornton, who, according to the subsidized press of this country, was the real discoverer of this country instead of Christopher Columbus, should be unveiled at the same time. With the rate of

taxation in Canada going up by leaps and bounds, with the income tax and sales tax as high as they are, we should postpone the celebration until such time as we can solve our own problems and prevent this country from becoming the happy hunting ground of a lot of American millionaires who are picking up timber limits, water power, mines and pulpwood areas, and in doing so driving hundreds of thousands of men from Canada to another country.

Mr. MACKENZIE KING: At six o'clock I mentioned to the hon. member for Southeast Grey (Miss Macphail) that if she and the hon. members who sit around her would give me the names of two or three representative personages to be added to the committee I would be pleased to do so provided they were of a character which would make the committee more acceptable to all parties in the House. The names handed me were those of Mr. Tom Moore, President of the Trades and Labour Congress of Canada; Mr. M. J. Coldwell, President of the Canadian Teachers' Association; Mr. Henry Wise Wood, President of the United Farmers of Alberta and Mr. Michael Luchkovich, one of the hon. members of this House. I might say that Mr. Luchkovich is one of the first members to come into the House representing a large number of citizens from foreign lands who have become naturalized Canadians, and it was thought that his name on the committee would appeal to many of our naturalized citizens. To those names I would suggest that we add the names of Mr. George F. Edwards, President of the Canadian Council of Agriculture and Hon. Cyrille F. Delage, President of the Council of Public Instruction of the province of Quebec. Those names will make the committee more representative and I hope hon. members will feel that with these additions the committee will be sufficiently representative to commend itself to the House generally. I therefore beg to make the following motion:

That the following words be inserted in clause 2 after the word "Canada" in the fortieth line of page 2 of the bill:

Tom Moore, Esquire, President of the Trades and Labour Congress of Canada;

Michael Luchkovich, Esquire, M.P.

Mr. J. Coldwell, Esquire, President of the Canadian Teachers' Federation.

Hon. Cyrille F. Delage, President of the Council of Public Instruction of the province of Quebec.

Henry Wise Wood, Esquire, President of the United Farmers of Alberta.

George F. Edwards, Esquire, President of the Canadian Council of Agriculture.

[Mr. Church.]

Mr. McGIBBON: I have not the least objection to the motion nor have I any objection to the names mentioned, but I do think the Prime Minister has demeaned himself and his position after the statement he made before six o'clock, when he said that it was not his intention to have on this committee the representative of any class; now he comes into the House and moves for such representation. I might point out to him, if I so desired, that on this list there are no names representing the men who served overseas. I am not suggesting that such names should be added; I think the Prime Minister was right in his contention that this should be a committee representative of Canadians, not of class, and I much deprecate the change in his attitude.

Mr. MACKENZIE KING: As far as demeaning myself is concerned, I may say to the hon. member who has just spoken that I am quite prepared to do that again if I can help to bring about unanimity in this House in a matter that seems simple justice. Hon. members looking over the names originally presented will recognize the fact that the two old political parties, so-called, are very largely and in fact almost exclusively represented therein. In this House are others belonging to a group representing a considerable portion of this country, and from that group I have received certain of these names not as representatives of class but as the representatives of many of those of our fellow citizens who, in the opinion of that particular group, will thereby be given an added interest in the work of the committee. With regard to the returned soldiers, I think if the hon. member will read over the names he would find among them that of Lieutenant General Sir Percy Lake, K.C.B., K.C.M.G., President of the Canadian Legion of the British Empire Service League. This organization, I understand, embraces the various returned soldiers' organizations and it is in that representative capacity that the name of Sir Percy Lake has been inserted. There are also the names of Major General Mewburn, and one or two others who will be quickly recognized as representative of the men who served overseas. In addition my hon. friend will find among those who are named a very considerable number who were quite as active in the war as we all know he himself was. I think, therefore, the interests of all have been carefully taken care of.

Mr. McGIBBON: These appointees were asked for as class representatives. That is what I object to.

Miss MACPHAIL: May I voice my appreciation of the kindness of the Prime Minister? When I said, possibly quite shortly, this afternoon that I did not know who had used my name without asking my consent, I may have appeared somewhat unkind but I had no such intention. However, so much was said in the budget as to the whole prosperity of Canada depending upon agriculture and industry that one could not help thinking that a committee to be representative of the whole Dominion must include some of these people. I appreciate very much what has been done, which I think is only fair, and if we use this opportunity to help other people in other parts of the world to understand Canada and at the same time use this movement to arouse in Canadians a pride in their own country and a national spirit—a spirit that will help us to go on and meet the troubles or the problems of the future—we surely can do much for our country. I hope that as one of the committee I may be of some slight assistance.

Motion agreed to.

Section 2 agreed to.

On section 3—Objects.

Mr. ADSHEAD: May I point out to the Prime Minister that among the objects of the corporation is the administration and distribution of the grant mentioned and any further grant or grants hereafter made. Clause 14 provides that a sum not exceeding $250,000 is to be paid towards defraying the expenses of the corporation. Does the reference to grants hereafter made contemplate grants to be made by this parliament?

Mr. MACKENZIE KING: The last clause to which my hon. friend referred indicates the amount that parliament is appropriating by this bill. It is possible that at some future date parliament may appropriate an additional amount.

Mr. ADSHEAD: It will be parliament that will do that?

Mr. MACKENZIE KING: Yes. As far as public moneys are concerned, no addition will be made to the amount named except with the consent of parliament.

Mr. GARLAND (Bow River): Even should parliament not be sitting when the requisition is made? Supposing parliament has adjourned and the committee believes it requires more money—it may not really need the money but believes it does—will there be an order in council authorizing an additional expenditure?

Mr. MACKENZIE KING: The committee will be given to understand that the wish of parliament is that it should keep the expenditure within the amount appropriated. If the committee when it meets finds that the amount is not going to be sufficient it will be its duty so to advise parliament at a very early date.

Section 4 agreed to.

On section 5—Executive committee.

Mr. CARMICHAEL: It does not seem quite advisable that the expenditure of $250,000 should be left to an executive committee of six persons, yet that is what we are doing. This number out of a membership of sixty-nine can go ahead, make the necessary arrangements, and expend this money. Such a quorum seems unusually small out of a total membership of sixty-nine. Seeing that quite a number of members are within easy reach of the capital, it seems only reasonable that the quorum of six should be larger.

Mr. MACKENZIE KING: I point out to my hon. friend that the clause to which he refers reads:

> Until otherwise provided by by-law or regulation made by the executive committee, six members of the executive committee shall be a quorum.

If, when this large body assembles, it has any reason to feel that this particular clause does not provide the necessary number it can pass a by-law immediately requiring a larger number to be present when certain expenditures are being authorized. The Canadian patriotic fund, as I recall it, ran into an expenditure of millions of dollars. The original committee was a large one, but it was found necessary to have a small executive to administer the fund. I think the language here is taken from the act that established the Canadian patriotic fund. I think my hon. friend will find that is the way most large corporations find it advisable to transact their business.

Mr. CARMICHAEL: I was not objecting to the size of the executive committee. I was pointing out the possibility of a small number being entrusted with the carrying out of very important work.

Mr. CHAPLIN: This is a very large committee, and a great many of the members live at a long distance from this city. Is it contemplated that the expenses of this committee should come out of the fund? Because if you take the expenses of nearly a

hundred people the amount is going to run into a lot of money. We are not going to be through with the expense when we spend $250,000. That is evident. Is it worth the money? For my part I do not think it is.

Mr. BELL (St. Antoine): In view of the fact that a number of names were mentioned to-night as well as the other evening of persons whom it would be desirable to have on the committee, would it not be wise to provide that the executive committee should have power to add to their number?

Mr. MACKENZIE KING: So they have.

Mr. BELL (St. Antoine): The members of various associations might be omitted although it might be important that their names should be added. I see no provision in clause 5 or clause 6 for making that addition.

Mr. MACKENZIE KING: There is some such provision in the bill.

Mr. ERNST: There is nothing to prevent any six members of the committee constituting themselves an executive and no provision in case they fail to attend meetings for notifying others. It would be quite possible for the Prime Minister to have a coterie of his own in such a case as that.

Mr. MACKENZIE KING: I can assure my hon. friend that the Prime Minister has no intention of doing anything of the kind. I confess I am rather surprised that he should make that particular remark. If he has any amendment he wishes to move to this clause, I am sure the committee would be pleased to receive it.

Mr. ERNST: I do not want to move an amendment. I simply want all the members of the committee to be notified, and not only six.

Mr. GUTHRIE: There is a little defect in this clause and I think the point is well taken. Subclause 2 reads:

> The persons whose names are mentioned in section 2 shall constitute the provisional executive committee, and provided that six of the said persons are present at the meetings, the corporation may be organized and the executive committee may be elected by them.

There is no provision for the calling of the meetings. If six members of the committee saw fit to meet at Ottawa, I do not know who could take objection to their doing so. There is no provision in this clause for notice. A meeting of the committee should be called and provision should be made for notice. Then if some members do not attend, let six do the work.

[Mr. Chaplin.]

Mr. MACKENZIE KING: I am sure my hon. friend must realize that any notice sent out for the calling of a meeting of the committee would be sent to every member of the committee in plenty of time for every member to be present. One of the officers of state will be charged with the duty of notifying all the members to come to Ottawa on a particular date. The press of the country will have ample notice of the particular date on which they will be assembled. If there was the slightest danger of members not being notified, I would say; Certainly add more clauses to the bill. May I draw my hon. friend's attention to this point? The government of which he was a member drew up a bill to administer the Canadian patriotic fund. This bill, as I mentioned to the House the other day, is modelled on that bill, clause for clause. I so directed when the bill was being drafted. I do not think anyone would have presumed that the Prime Minister of that day was seeking to gather a few favourites around him to administer the Canadian patriotic fund. Surely we can discuss these things with each other as gentlemen.

Mr. GUTHRIE: I quite agree with that, but the bill goes into some formal matters and this is a simple question that could be settled now by way of amendment.

Mr. MACKENZIE KING: Move the amendment.

Mr. GUTHRIE: Just insert the words:

> The persons whose names are mentioned in section 2 shall be duly called together for the first meeting of the said committee.

And state that six are a quorum as provided in the bill. Supposing they were not called together, supposing half a dozen were omitted in the notice and they felt offended or affronted or legal action resulted, that would be very unpleasant. I am only suggesting a difficulty might arise. I am quite willing to take the word of the Prime Minister that no difficulty will arise, but it is quite easy to have provision made for notice of the first meeting.

Mr. BROWN: As there is no provision for notice, can not it be taken for granted that the first names on the committee will be the conveners?

Mr. MACKENZIE KING: First of all, might I answer the leader of the opposition (Mr. Guthrie)? Without knowing what amendment he will propose, I will say in advance that I shall be pleased to accept it. This is not a party measure in any way, and

I am anxious to meet the wishes of the committee as a whole. If my hon. friend (Mr. Brown) wishes to insert the name of any individual to call the committee, I am sure it would also be a pleasure to insert it. The same method of calling together this committee will be adopted as was adopted in calling together the Canadian patriotic fund committee.

Mr. BROWN: What was that?

Mr. MACKENZIE KING: I understand the Under-Secretary of State or some permanent official of the government sent communications to all the parties whose names were mentioned, asking them to meet at Ottawa on a particular date. I do not think it will strengthen the matter to name any particular official to call the committee, but if that is the desire of hon. members, we shall have that inserted.

Mr. HOCKEN: Is it the purpose to have a series of celebrations or simply to have one big celebration at Ottawa?

Mr. MACKENZIE KING: The government has no desire to dictate what form this celebration shall take, whether it shall be one celebration at Ottawa, whether it shall be celebrations in the different provinces, whether it shall be along educational lines or along the lines of display in one form or another. The purpose of calling the committee is to let the committee decide all that. Once the committee is chosen, it will be the body that makes that decision.

Mr HOCKEN: If there is to be one celebration in the capital city, probably the amount that is being appropriated will be sufficient; but if, as one of my hon. friends has suggested, there is going to be a series of celebrations, one in each provincial capital for example, then the amount that is being appropriated will not be sufficient. That must be clear to any person. I presume before this parliament prorogues, we shall have some idea as to the scope of the general celebrations from one end of the country to the other. Is that the expectation of the Prime Minister?

Mr. MACKENZIE KING: If this debate does not continue too long, it is.

Mr. HOCKEN: I am just trying to get this thing right because I am strongly in favour of this celebration. The sixtieth anniversary of our birth as a nation is a great event in Canada, and it should be celebrated with all proper dignity and enthusiasm. My idea would be that this committee might go even further than have a series of celebrations in the different provinces, and might encourage local celebrations wherever they can be organized so as to make the day one of general observance from coast to coast. That would be my idea of a great observance of the sixtieth anniversary of our confederation. I want to see enough money appropriated to carry out the thing properly, and I would suggest to the Prime Minister that before the House rises, some effort should be made to ascertain from any executive committee that may be formed the extent of their plan so that sufficient money may be provided to carry it out in a proper and dignified fashion.

Mr. MACKENZIE KING: I can assure my hon. friend that is in all probability exactly what the executive committee will do, namely, to announce at as early a date as possible the plans proposed, and I hope that will be done before parliament rises.

Mr. McGIBBON: Has there been any communication from the provincical governments as to whether they will assist in the financial undertaking? I quite agree with my hon. friend (Mr. Hocken) that the amount appropriated in this bill is absolutely inadequate. If the sixtieth anniversary of the birth of the Canadian nation, as we are now called, is going to be fittingly celebrated, it seems to me we shall need many times that amount of money. We all know that as a general rule the government or party that will lead in expenditure will be allowed to do the paying. It would be right and proper that the provincial governments should be first sounded out to discover what contributions they will make.

Mr. MACKENZIE KING: The expectation I should think would be that the provinces would wish to have provincial celebrations and to make appropriations therefor. Once this committee is formed, one of its functions will be to get immediately into touch with the provinces in order to ascertain what they are prepared to do.

Mr. McGIBBON: Will the committee work in conjunction with the provinces or separately?

Mr. MACKENZIE KING: There is in the bill a clause which indicates that one of the purposes is to coordinate the work between the provinces and the Dominion.

Mr. GARLAND (Bow River): The remarks of the hon. gentleman (Mr. McGibbon) are of course his personal opinion and he is welcome to it. In my opinion this sum is ample; it is indeed too much. I wish to register a protest against any effort on the part of any hon. member to increase the amount to be voted. If any provinces are

so very anxious to enter into a celebration at the same time, let it vote its own money. I think an appropriation of $250,000 or a quarter of a million for a celebration, when, as the hon. member for Toronto Northwest (Mr. Church) said, there were so many soldiers and others out of work, anxious to get jobs and earn something, is extraordinary and ridiculous.

Mr. HOCKEN: We heard a story this afternoon of a bounding prosperity. There is nobody out of work.

Mr. GARLAND (Bow River): To which the hon. member's party did not agree.

Mr. HOCKEN: We have heard this afternoon that prosperity in this country is so great that everybody is at work. I think, Mr. Chairman, that the particular responsibility for this celebration rests upon this parliament. This is the parliament of confederation. It represents every province in Canada, and why should not the national treasury stand the whole cost of a proper celebration of that day, giving proper consideration to each province that desires to take part in it? I do not know; I may be a different kind of Canadian from my hon. friend from Bow River.

Mr. GARLAND (Bow River): Hear, hear.

Mr. HOCKEN: I was born here, and I am a real Canadian. I am not one of the imported variety, and perhaps I have a different feeling towards this Dominion than my hon. friend has.

Mr. WOODSWORTH: I rise to a point of order, Mr. Chairman. I too am a real Canadian, a real Canadian for three or four generations, and I protest against language of that kind being used against any member duly elected to this House.

Mr. HOCKEN: As usual, my hon. friend from Winnipeg messes in where he has no right to get, and raises a point of order that is not a point of order at all. If there is any man in the House to whose speeches objections can be made upon this ground, it is my hon. friend from Winnipeg North Centre. I am urging, Mr. Chairman, for a dignified and suitable celebration of our natal day. I do that as a Canadian born, and if there are any people in this country who are imported Canadians and who do not see the thing as I do, of course, they are entitled to their own opinion, but I have a seat in this House and I stand for Canada and Canadians, and I want Canadians on this occasion to show the world that they are capable of appreciating the wonderful heritage they have and the privileges they enjoy, and mark in a befitting manner the progress we have made in this country in the past six decades. We could go further than that, and in this celebration not only draw attention to our past accomplishments, but do a great deal perhaps to inspire the young men of this country to a greater love and a higher respect for their own nation, and if that is part of the result it will be money well spent no matter how much it costs.

Mr. GUTHRIE: The amendment which I propose, Mr. Chairman, and which may get us over a difficulty in the future, reads as follows:

That subsection 2 of section 5 be amended by inserting after the word "committee' in line 24 the following words:

The said committee shall hold its first meeting at the city of Ottawa. The Secretary of State for Canada shall convene the first meeting of said committee by notice in writing sent by post to the members thereof.

Amendment agreed to.

Section as amended agreed to.

On section 6—Co-operation with other bodies.

Mr. KAISER: I am not clear as to just what is meant by a celebration. It is not the intention, I take it, to permit all this money to be expended upon a demonstration. I understand that the committee will be permitted to expend money in any direction they see fit in order to bring home to the people the significance of this great event. The anniversary of the confederation of Canada is one of the outstanding events in our whole history, and from the time it was first mentioned in the speech from the throne, I have endeavoured to induce my own constituency to centre upon this historic event. I think that is giving a proper lead to the people. As to the expenditure of money, I have asked our county council to do one or two things. I have asked them to gather together photographs of the men who sat in this first parliament and passed the confederation act. This they are undertaking to do at their own expense, and in other ways they are preparing to mark this great event. Am I right in my impression that some of the money under the control of the committee will be used in directing affairs of that kind? Would that come within the scope of the committee?

Mr. MACKENZIE KING: I think my hon. friend is entirely right, and that what he has just described would come within the

scope of the committee's activities. There have been a great many proposals made as to how the diamond jubilee should be commemorated; I will use that word instead of "celebrated," as it perhaps will explain away the idea of a mere spectacle. Some of these suggestions have related to educational aspects, others to pageants and the like. There have been no end of suggestions come to the government in one form and another from persons throughout the country as to what would be the most appropriate thing to do. The government intends to hand over to this committee every suggestion that has been submitted, and allow the committee to adopt or reject as it sees fit, in other words to draw up a program of its own.

I might make mention of another feature. The government is being asked to contribute advertisements to publications with respect to Canada in the sixtieth year of confederation. We have felt that unless some committee is placed in charge of that work, there will be no control of expenditure on such advertising and publicity, and our purpose is to turn over to this committee that phase also of the celebration.

Section agreed to.

Sections 7 to 10 inclusive agreed to.

On section 11—Head office.

Mr. HARRIS: Inasmuch as the committee seems to be open to suggestions, it might be well to put on record this idea. Throughout the Dominion a great many community affairs, some political, some non-political, are held on the first of July, and the theme of the addresses on this particular day might well centre around this great event that we are commemorating. I think the suggestion might well be passed on to the committee that each of these constituencies be given $1,000 of this $250,000 fund in order that they may celebrate in a proper manner the sixtieth birthday of confederation and so arouse the whole country to a realization of the significance of this great event in our national life.

Section agreed to.

Section 12 agreed to.

On section 13—July 2 a public holiday.

Mr. MACKENZIE KING: I might explain to the House that as July 1 this year comes on Friday the government thought it would be the wish of parliament to have Saturday declared a public holiday as well. There would thus be three consecutive holidays for the celebration.

Mr. WHITE (London): Does this mean that July 1 will also be a public holiday?

Mr. MACKENZIE KING: Yes, July 1 is a statutory holiday.

Section agreed to.

On section 14—$250,000 granted to the corporation.

Mr. GARDINER: Mr. Chairman, the Prime Minister has intimated that once this corporation meets it may approach the government and parliament for further sums of money. Whether parliament will be able to control the granting of such further sums will depend on its being in session. Therefore I would ask the Prime Minister to give an undertaking to this House that no further sums of money will be granted for the celebration unless passed by parliament.

Mr. MACKENZIE KING: Mr. Chairman, I hesitate to give an undertaking in those specific words. I will inform the executive committee of what I have said in the House; indeed my first duty will be to give to the committee a copy of the debate which has taken place on this very subject. But I am unable to say what may take place after this parliament adjourns and before it meets again. Conceivably some expenditure might have to be made in the interim, for example, in connection with the visit of His Royal Highness the Prince of Wales and the Prime Minister of Great Britain. A certain amount might be required in addition to what is here proposed which could not be foreseen and which it would be essential to grant. I should not like to bind the government in such a manner that we would not be able to carry out the celebration on a scale befitting the occasion. In saying that, however, let me state to my hon. friend that the executive committee will be advised of what I gather to be the view of this parliament, that they should seek to confine their expenditure to the amount here set forth. If the expenditure runs beyond the $250,000, there will have to be good and sufficient reasons furnished—reasons that at least in the opinion of the government would meet with the approval of parliament.

Mr. EVANS: Mr. Chairman, while I am not altogether opposed to this bill, I do think that $250,000 is an ample amount for the city of Ottawa to celebrate our diamond jubilee, seeing that other places will have to stand their own expenditure for this purpose.

Mr. MACKENZIE KING: Let me correct my hon. friend. This is not an expenditure for the city of Ottawa alone. This fund will

be handled by a national committee. It is to cover the expense of what that committee may decide to do from the Atlantic to the Pacific. Undoubtedly certain features of the celebration will take place in Ottawa, but it may be assumed that a large proportion of this money will go to meet expenses incidental to much that will be done outside the capital.

Mr. EVANS: I think $250,000 should be the limit, and therefore I propose the following amendment to section 14:

That after the word "Act" the following words be added, "and that it shall be understood that no further grant from this parliament shall be made".

Mr. McGIBBON: Mr. Chairman, I hope the Prime Minister will not accept the amendment. This celebration should be held in a manner in keeping with the dignity of the nation, and to tie the hands of the committee to an expenditure that is after all only an average of $1,000 for each riding in the whole Dominion is to my mind cutting the expenditure down very low indeed. I hope the Prime Minister and his government if they are going to proceed with this celebration will not so tie the hands of the committee.

Mr. MACKENZIE KING: Mr. Chairman, the government cannot suppport the amendment of my hon. friend, and I hope the committee will not accept it.

Amendment negatived.

Section agreed to.

Section 15 agreed to.

Bill reported, read the third time and passed.

MONTREAL HARBOUR COMMISSION

LOAN OF $12,000,000 FOR TERMINAL FACILITIES

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries) moved the second reading of Bill No. 60, to provide for a loan to the harbour commissioners of Montreal.

Motion agreed to, bill read the second time, and the House went into committee thereon, Mr. Johnston in the chair.

On section 2—Loan of $12,000,000 to the corporation.

Mr. STEVENS: I purposely refrained from saying anything on the second reading of the bill, because I did not wish it to appear that I intended delaying the minister. There is however a very serious question which I wish to direct to the attention of the committee and to have discussed at this point. It is rather difficult for one to determine precisely the right moment to bring this matter up, but I am inclined to think it should be done on this section. I refer to the absence from this bill of a section which appears in acts of a similar character and which in the present measure should be numbered 6, providing for the repayment of the loan. The minister may have a complete and satisfactory explanation to offer, but I think the committee ought to be made aware of all the facts before proceeding with the bill. What may be described as the original act in legislation of this character was passed in the year 1896, and similar bills went through this House in 1922 and 1923. In 1922 a bill almost identical in terms with the present one was adopted, the only difference being that it contained the following:

The principal and interest of the sums advanced to the corporation under the authority of this act shall be paid by the corporation out of its revenue mentioned in section 8 of chapter 10 of the Statutes of 1896 (first session) and shall be charged upon the said revenue in the same manner and to the same extent as if the sum so advanced had been borrowed by the corporation under the said chapter 10.

In 1923 a similar bill was passed for the same purpose of advancing moneys to the Montreal harbour board and a similar section was incorporated in it. I shall read precisely the provision made in that case; it varies slightly from the first:

The principal and interest of the sums advanced to the corporation under the authority of this act shall be paid by the corporation out of all its property and assets, and out of all its tolls, rates, dues, penalties and other sources of revenue and income whatsoever, and shall rank as a charge thereon, and have precedence in regard to payment next after the payments provided for in section 8, of chapter 10 of the Statutes of 1896.

In the statute of 1896 the section 8 referred to in these two acts provides:

The principal and interest of the sums of money which may be borrowed . . . . shall be paid out of the revenue arising from the rates and penalties—

And so forth. Then it sets forth the standing of the various charges against such revenues:

(a) Payment of all expenses incurred in the collection of the said revenue, and other indispensable charges;

(b) The defraying of the expenses attendant on keeping the harbour clean, and on keeping the wharfs and other works therein in a thorough state of repair;

(c) The payment of interest due on all sums of money borrowed under this act or under any of the acts repealed by The Montreal Harbour Commissioners Act, 1894, without priority or preference;

(d) The paying off of the principal of such sums.

I want the committee to note that in the original bill provision is made for the repayment of principal and interest out of the earnings of the harbour. In the two acts to which I have referred, passed in 1922 and 1923, measures similar in every respect to this bill, provision is made for precisely the same thing, mention of which is made in the section of the act of 1896 to which I have alluded, namely, that the principal and interest shall be repaid out of the earnings of the harbour, out of dues, collections and so forth.

Last year, when this bill was first brought to the attention of parliament, a notice of motion was given by the minister. That notice of motion, given on June 7, 1926, provided:

That it is expedient to authorize a loan to the harbour commissioners of Montreal in an amount not exceeding $12,000,000 to carry on the construction of terminal facilities, upon approval by the governor in council of detailed plans, specifications and estimates for such works and the deposit of debentures of the corporation to cover said loan—

The committee would do well to note this particularly:

—and further, to establish a sinking fund to be applied to the reduction of the debenture indebtedness of the corporation to His Majesty.

On June 9, two days afterwards, when the resolution of which notice had been given appeared on the order paper, these significant words to which I have just referred were found to have been omitted. In the first place the resolution ought not to have been changed; it ought not to have appeared on the order paper except in the form of which notice had been given. The words to which I have referred, namely:

And further, the establishment of a sinking fund to be applied to the reduction of the debenture indebtedness of the corporation to His Majesty—

—were omitted from the resolution appearing on the order paper of June 9, 1926.

After this somewhat lengthy preamble I come to the bill now before the House. In every particular it follows the acts of 1922 and 1923 with the one exception that section 6 is left out. I have already intimated that this section 6 is the clause under which provision is made for the repayment of the sums advanced. Let me read from the bill of 1923, in order to remind the committee of what has been dropped:

The principal and interest of the sums advanced to the corporation under the authority of this act shall be paid by the corporation out of all its property and assets, and out of all its tolls, rates, dues, penalties and other sources of revenue and income whatsoever, and shall rank as a charge thereon, and have precedence in regard to payment next after the payments provided for in section 8 of chapter 10 of the Statutes of 1896, first session.

I submit in the first place that the minister should make a very clear explanation of the rather strange disappearance of this important clause; and I wish to emphasize that in connection with the harbour board of Montreal, which I have had reason both to compliment and to criticise in this House, that corporation has provided for the repayment of these loans out of its earnings and has carefully preserved the practice of paying the interest. It has done that because of these sections to which I have referred, which make it obligatory upon the harbour commissioners to provide out of their earnings for repayment of both principal and interest. I am going to listen to what the minister has to say in explanation, and unless he can give me complete assurance that the practice so well established is to be followed in this case, I will later move for the addition of this clause. It is passing strange, however, that this clause, which has appeared in all the other acts to which I have referred, is now dropped. I made inquiry from the law officers of this House as to why this bill was different from the preceding bills, because the minister himself told us the other day that this bill was the same as that passed last year, and was similar to those passed on previous occasions. I was rather inclined to accept the bill as merely a routine measure, the main question being whether we should grant the $12,000,000, but as a matter of fact it is very much different from the others.

Mr. CARDIN: I am sure I will have no difficulty in relieving my hon. friend of his anxiety in this connection. If he had waited until we reached the proper section of the bill it would not have been necessary for him to make his remarks, because I have already prepared as an amendment to be added as clause 6 the very clause which can be found in all the previous bills covering advances to the harbour board of Montreal. This question does not properly come under section 2, but I have no hesitation in saying that if this clause has been dropped it is only an oversight.

My hon. friend referred a moment ago to the resolution which was introduced last year providing for this very clause. There was an addition in that resolution which had been placed there by an overzealous employee of the department, no doubt with good intentions, providing for a sinking fund of one and one-half per cent. This was absolutely new; in

no bill which has been presented to this House has there been anything providing for a sinking fund as set out in the resolution, and I thought it unfair to impose such a thing and make it obligatory. My hon. friend will notice that the resolution made it compulsory not only in connection with the $12,000,000 in question but also in connection with all previous loans, and I thought that most unfair. The money loaned to the port of Montreal in 1923, as well as that loaned in 1896, should not be subject to any new condition which might have presented itself to the officials of the department in 1925 or 1926. This money was loaned to the harbour commission on certain conditions, which are found in the bill. There was no sinking fund mentioned in the bill of 1896 and none in the bills of 1923 and 1924.

Mr. STEVENS: Will the minister permit an interruption? While no specific mention was made of a sinking fund, is it not implied in the language of the act, which in that of 1896 was as follows:

> The principal and interest of the sums of money which may be borrowed under this act, as well as all sums already borrowed. . . . shall be paid out of the revenue arising from the rates and penalties imposed by or under the Montreal Harbour Commissioners Act, 1894, for and on account of the said harbour.

Then it outlines the priority of charge against that revenue, and in subsection (d) goes on to say:

> The paying off of the principal of said sums...

Then in the act of 1923 it refers to this section and says that the commission shall provide for the payment of principal and interest. How can the commission provide for the payment of principal alone, leaving the interest out of it for the moment, unless it sets up a sinking fund out of the earnings of the harbour? While it is not specifically mentioned that a sinking fund shall be established, it is certainly a duty imposed upon the commissioners by this act. I ask my hon. friend if that is not correct.

Mr. CARDIN: I am free to admit that this clause has been so interpreted by the harbour commissioners themselves, because they have established a sinking fund of one per cent on all the loans. At present they have over $1,000,000 in the sinking fund ready to meet an obligation of $1,000,000 maturing next July. What I objected to last year was the creation of another sinking fund of not one per cent but one and a half per cent, to which I could not agree.

[Mr. Cardin.]

Mr. STEVENS: It does not say that here. It says:

> And further to establish a sinking fund to be applied to the reduction of the debentude indebtedness of the corporation to His Majesty the King.

No amount is mentioned.

Mr. CARDIN: But in the documents placed in my hands by the officers of the department a sinking fund of one and one-half per cent was provided for and I thought that most unfair. I desired to keep the bill in the same form as the previous bills; I decided to drop that clause, but due to an oversight we have dropped this other clause which existed in every other bill. The point was not raised then, but this year I observed that this clause had been omitted and I prepared an amendment which will be clause 6, containing exactly the same words found in the bills of 1896, 1923 and 1924. The clause will read as follows:

> The principal and interest of the sums advanced to the corporation under the authority of this act shall be paid by the corporation out of its revenue mentioned in section 8 of chapter 10 of the statutes of 1896, first session, and shall be charged upon the said revenue in the same manner and to the same extent as if the sums so advanced had been borrowed by the corporation under the said chapter 10.

With this clause added the bill will provide for the same needs that were provided for in the previous bill.

Mr. CAHAN: Does the minister intend to add that clause to the bill?

Mr. CARDIN: Yes, I intend to propose that it be added to clause 5.

Section agreed to.

Sections 3 and 4 agreed to.

On section 5—Deposit of debentures to cover loan.

Mr. STEVENS: We had a discussion in connection with this phase of the bill, and I am not directing the attention now to the Montreal harbour commission but speaking in a general sense. I believe that in this bill, and in all similar bills dealing with other harbours, there should be inserted, as a subsection of section 5, a provision making the Auditor General of Canada the auditor of the accounts of all harbour commissions. This is a principle that I think should be accepted. We discussed it last year in a very friendly spirit and received from the minister a good deal of encouragement, the idea expressed then being that our views were not repugnant

to his own. The other evening we had a discussion also on the same subject. Mr. Chairman, the minister ought to provide for such a subsection in connection with this section. I have not one drafted; in fact I would prefer that it should be drafted by an able lawyer like the minister himself rather than by a poor benighted layman.

Mr. CARDIN: Do not exaggerate.

Mr. STEVENS: The principle that the Auditor General should be auditor of these harbour commissions should now be established, and this is a good opportunity for the minister to do it.

Mr. CARDIN: I would not have any very serious objection to my hon. friend's suggestion as a general principle, but I do not think it would be fair to single out the port of Montreal for exceptional treatment.

Mr. STEVENS: I was very careful to explain that that was not my idea.

Mr. CARDIN: It has been admitted by everyone, even by my hon. friend himself, that the port of Montreal has been well administered, and the country has been fortunate, under all governments, on account of the excellence of that administration. Possibly the port of Montreal is the only one which is paying interest on its loans. That in itself is sufficient reason why the port should not be singled out for exceptional treatment and further responsibilities imposed on the commissioners. The suggestion my hon. friend has made is already covered by the Audit Act.

Mr. STEVENS: No.

Mr. CARDIN: Under the Audit Act the Minister of Finance is empowered to have an audit made at any time into the affairs of all the harbour commissions. I think the public is amply protected by that provision in the law. If any hon. member desires to have an investigation made into the affairs of the port of Montreal I will say promptly, go on and make it. As a matter of fact investigations were made last year and the previous year also into the accounts of the harbour of Montreal by direction of the audit board. That audit board has been created precisely for that purpose—to make an audit of the accounts of all the public corporations to which the government has made or is making loans. Why then insist upon greater safeguards in the case of the only corporation which has provided a sinking fund to meet its obligations when they mature? It seems to me that it is rather severe treatment to extend to the harbour commission of Montreal when it has made such a good showing. If it would suit my hon. friend I would be willing to take into consideration the matter of applying the principle which he suggests. We are going to incorporate certain other harbours in Canada before very long, we are going to deal generally with the harbours. When that time comes it may be opportune to make the principle of such an audit applicable generally; I do not think we should introduce the principle into a bill providing for a loan of $12,000,000 to the harbour commission of Montreal. I hope my hon. friend will consider the suggestion I have made a reasonable and proper one.

Mr. STEVENS: The minister has not responded at all to the spirit in which I advanced my suggestion. He now takes refuge behind a statement that the suggestion is directed at Montreal. I stated in the most clear and precise terms, after paying a compliment to the port of Montreal, that I did not direct my observations to that port. I said that other ports ought also to be brought in, but I did say that this was a good time to begin to enforce the principle.

I cannot allow another statement by the minister to go unchallenged. He says that Montreal is the only port which has erected a sinking fund. Why, the next greatest port, the port of Vancouver, erected a sinking fund many years ago, and I am informed by the officers of the department that it is being properly administered. I also asked, and have asked before, that the accounts of the port of Montreal should be brought under the audit of the Auditor General. I will say here that there have been expenditures in both these ports—I am not desirous of bringing up the subject now but I have been forced to do so by the minister's observations—in the port of Vancouver as well as the port of Montreal in times gone by that were rather reckless and greatly exceeded any estimate. I recall one particularly that ran into $3,000,000, although $900,000 was the estimate of the minister. I could cite three or four cases at Vancouver, aggregating I think over a million dollars, of what I consider to be needless expenditures of the money granted by this parliament that could never have been made had the Auditor General been in charge of the accounts of that port. It is for the purpose of safeguarding not only the port of Vancouver, the port of Montreal, the port of Quebec and other ports that have harbour commissioners, but also other ports in which commissions are to be created in future, that I am making my

present appeal. If the minister would give the committee the assurance that he will bring in an amendment to some general act, or such amendments to specific acts, as may bring about the placing of these commissions under the direct audit of the Auditor General; if he will assure us that such a measure will be brought in this session, I will not press the matter further.

Mr. CAHAN: Clause 5, to which an amendment is now suggested, simply deals with the deposit of debentures of the Montreal harbour commission to cover loans made from time to time. Such being the case it does not seem to me to be a proper clause in which to deal with the matter of an audit of all the accounts of the Montreal harbour commission. There was an opinion expressed in this House during the only session of the last parliament that all the expenditures of these commissions should be subject to an audit by the Auditor General. Under the Board of Audit Act, as I remember it—I looked it up at the time—the Minister of Finance can call at any time for a complete audit of the expenditures of each of these commissions. It was stated last session, if I remember correctly, that if anyone wished to see an audit which had been obtained within a few weeks or months, it would be open to any hon. member who made the request. If I remember aright, it was the hon. member for West York (Sir Henry Drayton) who made the request. It was offered to him for his inspection and for the inspection in a confidential way of other members of the House.

There is a great deal to be said in favour of an audit by the Auditor General, but I am clear in my opinion that if such a provision is to be adopted, it should be by way of amendment to the Board of Audit Act, and it should be brought in so that it may be clearly understood that it is a general law applicable to each and all of the harbour commissions. If that general amendment is to be proposed, there are in connection with each of those harbour commissions certain matters which must be regarded as more or less confidential, and when that general amendment is brought in I should like to discuss it from that point of view. The harbour commissioners of Montreal are competing with several United States companies, transportation companies as well as storage companies, and there are certain matters relating to that competition which should not be generally disclosed. Such an audit should not only be open to the minister, but it should be open to my hon. friend if he thinks there is any fraud or trickery or misfeasance of office in connection with the administration of the harbour commissioners.

[Mr. Stevens.]

When we come to deal with a general amendment, I for one would like to discuss it from the point of view that the general audit of all these harbour commissions should not be made a public report in all its particulars, because I think it would be very injurious to those various ports to have certain matters, which are more or less confidential, and which enable them to compete with United States ports, freely exposed to the public.

Mr. GUTHRIE: The manifest advantage to this House of having an audit by the Auditor General is, I think, well known to every hon. member. The audit provided by the Audit Act may be sufficient for the Minister of Finance, but it affords little information for hon. members and we have no opportunity of going behind it or of making inquiries into it. It was pointed out pretty fully last session that an audit by the Auditor General is a different matter. An audit by the Auditor General would give an opportunity in this House of bringing the matter before the public accounts committee of parliament and of summoning any members of the harbour commission or any of the staff of that commission to appear, produce papers and submit to examination. That is the advantage to this House of an audit under the Auditor General. I understand the minister to say that he is not opposed to that proposal, but he thinks it should be introduced in the form of some general enactment. I am inclined to the same opinion. I realize that we have several great harbours in Canada operated under boards of harbour commissioners, and it is quite likely that we shall have more in the near future. The hon. member for Vancouver Centre, (Mr. Stevens), who brought the matter before the committee this evening, stated very clearly that he would be satisfied if the minister would introduce a general act for this purpose. The hon. member for St. Lawrence-St. George (Mr. Cahan) also acquiesces in the proposal, and if the government would introduce a general act applicable to all these boards of harbour commissioners, with any necessary reservations as to secrecy of proceedings or the like as suggested by the hon. member for St. Lawrence-St. George, that would be quite acceptable on this side of the House. For my part I do not desire to interfere particularly with the Board of Harbour Commissioners of the city of Montreal, and if the minister will grant us an assurance that the matter will receive consideration in the near future, we can let the matter drop.

Mr. CARDIN: I have no hesitation in saying that I am ready to give the best consideration to the suggestion that has been made, but really there is no doubt that the public is absolutely protected. In the Audit Act power is given to make an investigation into all the affairs of such commissions. These auditors are empowered with the same authority as that of commissioners under the Inquiries Act. Their report is made to the Minister of Finance, and section 7 of the act reads:

Each report of the board shall be laid before both Houses of parliament within twenty-one days of the date of its receipt by the minister, or if parliament be not then in session, within the first twenty-one days of the session then next following.

What greater protection can we ask? If on the production of this report any hon. member, after reading it when it has become one of our public documents, wants some details, some information, wants a more thorough investigation into the affairs of the port, he has the power of asking for a more complete investigation into all the affairs of the port.

Mr. STEVENS: Nonsense.

Mr. GUTHRIE: He would if it were in the Auditor General's report, but he cannot under the report from the board of audit.

Mr. CARDIN: I can give my hon. friend the assurance that if he asks for an inquiry into that port of Montreal, as long as I am Minister of Marine and Fisheries he will get it. I shall have no hesitation in granting an investigation of that kind.

Mr. GUTHRIE: I do not refer to the port of Montreal. I am speaking of the general principle.

Mr. CARDIN: I shall be glad to give the assurance as regards all other ports.

Mr. GUTHRIE: When the suggestion was made it seemed to impress the minister favourably and he promised to give it consideration, but nothing of course has since been done. The advantage to the House and to hon. members is that we can take the matter before the public accounts committee and investigate it to our hearts' content. I do not say that we need to do so. The occasion might not arise, but it might arise. That is the usual way of treating matters which are audited by the Auditor General and which appear in his report. It is a privilege accorded to this House. When the report is made under the Audit Act and the report comes back to the Minister of Finance, it is laid on the table in due course, but so far as hon. members are concerned that is the end of it. The Minister of Finance might pursue the matter further, but this House could not do so.

Mr. STEVENS: I hesitate to delay the committee, but the minister is surely not serious in the suggestion that if an hon. member rises in his place and says: I would like to have an audit of the port of Montreal, the minister would immediately grant it. Why, on the very face of it—I hesitate to use the word, but it is absurd. The first thing the minister would say to me if I rose in my place and made such a request would be: Will the hon. member please bring such charges as he desires to make, and we will then have them investigated. You would have to have some charge. Certainly a member rising in his place and simply asking for an audit here or an audit there—why, the Minister of Finance will not say that it would be granted. In fact I do not think it would be sensible to ask it.

I will give the minister and the committee two or three very cogent reasons why I think this should be done, and I shall not, in doing so, refer to the port of Montreal, for the simple reason that the minister persists in returning every argument as if it were particularly directed against the port of Montreal. I just as steadily persist that that is not my objective. It is the general principle I am fighting for, and that I fought for last year and the other night. This House from time to time grants sums running into the millions. To-night it is $12,000,000—I think this has been preceded by some $40,000,000 to this particular port, and Vancouver I believe has received some $15,000,000 or more—by way of loan on the debentures of these ports for general investment, and this House and the members of this House have no more right to scrutinize the expenditure of these moneys than has any person outside the House. Now that is wrong in principle. You ask me to give some reason. I will give you a couple of good reasons.

This House granted the harbour commissioners of Vancouver a loan of $5,000,000, similar to this, for the purpose of improving that harbour. Now I am going to tell the House how a couple of million dollars of that loan was expended. In one instance the harbour commissioners bought a piece of land from a certain company controlled by a gentleman by the name of Mr. Gale, who, by the way, was a political candidate—I am just stating the facts—for the purpose of

constructing a jetty to carry grain carriers out for the delivery of grain to be loaded on ships. That jetty was constructed for the purpose of serving an elevator owned by a company owned by Mr. Gale and his associates. On that jetty, out of the moneys granted by this parliament, was spent the sum of approximately $1,000,000. The fixed charges, interest and sinking fund, against that amounted to $112,000 a year; I am now quoting from returns that have been laid on the table of the House. In the first year of its construction the harbour commissioners secured a revenue of $12,000, and laid out in fixed charges $112,000. The next year they got a revenue of I think $23,000 or $27,000, and they paid out $112,000 in fixed charges. The point there is this; In the first place, the harbour commissioners should never have made the expenditure. In the second place the money was spent extravagantly; the construction was very extravagant, and there has been no control over that expenditure except by auditors appointed by the commissioners themselves.

I will give another illustration. The harbour commissioners in Vancouver, out of one of these votes supplied them by the House, bought an elevator known as the Woodward elevator. A gentleman by the name of Woodward went to Vancouver some years ago, about 1921, and went into the elevator business. He went broke in the undertaking; he did not have sufficient capital, and he went to the commissioners and asked them to take it over. I heard that they had done so, as did the business people of Vancouver. I wrote a letter to the chairman of the harbour board and pointed out to him that if he took over that project it would probably cost him upwards of half a million dollars to put the institution in good shape, and that he would only lose money very heavily as a result. When he was in Ottawa attending the minister I warned the chairman again, and I warned the department against entering into that project. However, they went on. The commissioners bought the property, and it now stands a cost to the harbour commissioners of some $960,000 or $970,000. It is leased today, I think, at a rental of about $30,000 a year. An arithmetical calculation will show to what an extent this country has profited by that. What was the trouble? The expenditures were extravagantly made. Has there been any check on that expenditure? No. Why? Because this House has no control over it. As a matter of fact, Mr. Chairman, an attempt was made a session or two ago to have these matters investigated, and what were we told? That we had no right to bring these accounts before the public accounts committee for the simple reason that they were not under the Auditor General and did not come within that category. If we accept the minister's suggestion, or the suggestion of the hon. member for St. Lawrence-St. George, and leave these matters to be dealt with by the audit board, we members of the House have no means of investigating, none whatever. All that will happen is this: I can stand in my place and make charges and all that sort of thing, and then we get an audit board appointed. The audit board reports to the government, and there is no committee of this House investigating. The public accounts committee have no chance to investigate, nor has anyone connected with this parliament any right to investigate, no more right than any man outside the House.

What I have been trying to argue for the last three sessions—last session in particular I emphasized it, and previously in this session, and again I emphasize it now—is not that we should harrass these harbour boards. I am wholeheartedly behind the harbour boards of this country, such as are run in a proper manner, and I want to help them in every possible way. I will vote for this expenditure, but I do ask, as a matter of right to this House and as a matter of reasonable safeguard to the harbour commissioners themselves, that the Auditor General shall be placed in charge. These harbour boards appoint their own auditors. I submit now to any trained business man or accountant in this House, is it a sound thing to have the management of a concern appoint its own auditors? It is not sound; it is contrary to every business principle. I will admit that in many institutions the shareholders are indifferent to their rights and allow the management sometimes to nominate the auditors; but that is private business, and here we are dealing with public moneys. The principle which is sound in private and in public business is that the shareholders concerned—and this parliament represent the shareholders in this case—should appoint the auditors of the management, and not the management appoint the auditors to audit their own affairs. All we ask of the minister and of the government is that we, representing the people whose moneys are being expended, should have our auditor, the Auditor General, audit these accounts.

In regard to the suggestion made by the hon. member for St. Lawrence-St. George, I wholly agree with him in this, that there are certain matters that must be kept private,

but there is not a sensible auditor in the country who does not know exactly what should be kept private and what should be made public. That is what they are trained for; that is their business, and there will be no difficulty whatever about that. I will assure the minister from my own knowledge of the auditing game, which has extended over a great many years, that I would never think of asking that secret, confidential information, or information that would harrass the board, be made public. But in the interest of the harbour boards themselves—and goodness knows they are harrassed enough politically and in other ways for advantages here and advantages there—in the interest of inspiring confidence in public affairs, and in the name of what is right and fair, I ask on behalf of this House and the people of this country that the Auditor General should be put in charge of these harbour commissions, expending as they are millions of the people's money—$12,000,000 this year—and I hope the Vancouver harbour commissioners may later, perhaps not this session but next, get a further advance; and the same with other harbour commissioners. But let us put these expenditures under the eye of the Auditor General, and so give to this House and to committees of this House an opportunity to scrutinize everything fairly and frankly.

Mr. GARDINER: The hon. member has explained certain expenditures in the harbour of Vancouver. Would he care to suggest that the manner in which the funds have been expended made it necessary for the harbour commission to ask for increased charges on grain going through that port?

Mr. STEVENS: Absolutely not. I say the increase in the charges at the port of Vancouver are unjustifiable. I have always said so. They never should have been increased. The old charges were quite sufficient for their needs.

Mr. CANTLEY: Mr. Chairman, I would remind the minister that some years ago one of the most important harbours in the maritime provinces, then under a commission, was defrauded of a very considerable portion of its revenue through the defalcations of its treasurer. The only audit was a local audit. Had we had an audit such as that referred to by various speakers on this side of the House, I am satisfied that those defalcations would not have occurred. The irregularities, I may say, extended over a period of years. As probably two important harbours in the maritime provinces will soon come under some form of commission or government control, I think it highly important that we should have some sort of official governmental audit. There is not much use in locking the door after the horse is gone. The mere fact that such an audit would be held would undoubtedly have a deterrent effect on any official who might be inclined towards or tempted to dishonesty. I think in the interests of all concerned, not only the members of the House but the various harbours, and the sections of country which they serve, that it is highly important to apply one general principle to bodies controlling our harbours or receiving public money and administering large harbour revenues.

Mr. GARDINER: Has the audit board ever audited the accounts of the Vancouver commission or any of the other harbour commissions?

Mr. CARDIN: Yes, last year and the year before.

Mr. STEVENS: Who on behalf of the audit board audited the Vancouver harbour accounts last year and the year before?

Mr. ROBB: Mr. Edwards, of Toronto, chairman of the board.

Mr. SPENCER: Was the report satisfactory to the Minister of Finance?

Mr. ROBB: Yes, it was a most satisfactory report. It was tabled and is available to hon. members.

Mr. CHURCH: Mr. Chairman, the government has spent $44,000,000 on this harbour, and we are now asked to spend another $12,000,000. In addition to that we are liable for the cost of a bridge, which at first we were told would run to $6,000,000, but now we may have to face an expenditure of $15,000,000 on this account. Up to a few years ago this particular harbour was under the control of the Department of Public Works, then it was transferred to the Department of Marine and Fisheries. Last session it was charged in this House by two hon. members that the Montreal harbour board was in politics. I do not like to think that this is so. We have been told that there is as much politics in the port of Montreal as in the Canadian National Railways, and if that is so it is going pretty far. As I say, I do not like to hear it, and I do not think it is true, but if there is any foundation for the statement the quicker the port is taken out of politics the better. The port of Montreal is the largest grain exporting port in the world, and in the value of its total commerce is second only to New York and Liverpool.

Every good Canadian admires the port and wants to build it up. But with all due respect to the minister, the time has come when the accounts of this port and all its contracts and other business transactions should, like those of the national railways, be placed before the public accounts committee of this parliament.

Although this government has contributed not a cent to the Toronto harbour commission, and although no charges were made against its administration, the minister ordered an inquiry, and the Central Liberal Association of Toronto asked the government to appoint a board of politicians to take charge of the inquiry, although the city council had appointed Sir Thomas White to conduct the proceedings. It seems to me that so many of our judges have little or nothing to do that half their time is spent on these political commissions, contrary to the Judges Act. Now, as the minister ordered an inquiry into the affairs of the Toronto harbour, what about his own harbour, what about his own bailiwick? In the city of Vancouver the other day the government dismissed all the commissioners and appointed a new board, whose members seem to know nothing about harbour affairs but were appointed largely because they were Liberals. To be consistent, the minister should appoint a commission of inquiry into the affairs of the port of Montreal, in connection with which certain charges have been made, when he did so in relation to the Toronto harbour commission, against which no charges whatsoever were made. Let the minister ascertain whether the port of Montreal is run from a commercial aspect or not, and whether politics has entered into its administration. As I say, I do not like to think so, but it is his duty to the House and to the country to make a declaration of policy with respect to this matter.

All these ports at Montreal, Halifax, St. John, Vancouver, Quebec are in the public interest, and they will always have my support. I know the chairman of this particular port, and I am sure he is an honest man and a brilliant young Canadian. This is a national port and it should be properly administered, but I do not believe the minister was wise in accepting the advice of a few Liberal ward politicians and paying fifteen to twenty thousand dollars to a Liberal lawyer in Toronto to provide him with a job. The commissioners there have worked for nothing, having devoted years of their life to the service of the public. I admit that the commission in Montreal has done good work, but it seems to me that the minister owes the committee some further explanation.

[Mr. Church.]

Mr. MacLAREN: Substantial reasons have been given why there should be a general application of the Audit Act to harbour commissions. The minister has been urged to give an assurance that an amendment will be made to the act to provide for an audit under the Auditor General in the case of this commission. He does not seem willing to give that assurance. Will he state to the committee the objections he has to accepting what seems to me a very reasonable and a valuable suggestion which has been offered from this side of the House?

Mr. CARDIN: I think there is some misunderstanding regarding the relative positions of the various harbour commissions in Canada. It is not for the mere pleasure of appointing harbour commissions that these boards are established. They were established because it was felt at the time that the affairs of the ports could be better administered by that means than from the department in Ottawa through the ordinary officers of the government, and it was decided by those who first created the commissions that it would be preferable to have reliable men of experience, familiar with the local conditions, deal with the affairs of the ports concerned, rather than leave their administration to the department. We must have confidence in the men we appoint, and if we are to drag the harbour commissioners before the public accounts committee every year and compel them to answer questions in detail with reference to the smallest transactions they superintend, it will be very hard indeed to find men of reputable standing who will be ready to undertake the duties of harbour commissioners and expose themselves to all the criticism to which they might be liable. This departure was made by previous governments and approved by this one because it was thought that the affairs of a port could be best administered in this manner. Of course, if we have no confidence in the commissioners, that is a different matter; but if we trust them sufficiently to appoint them to this responsible position we should be satisfied with the guarantees and the securities which are provided in the law as it stands.

These harbour commissions are becoming more general: witness the Duncan report in its recommendation as to the advisability of having harbour commissions at Halifax and St. John. I maintain that there exist already, in the law as it stands, all the safeguards which we can reasonably require in a matter of this kind. I mentioned a moment ago one of the provisions of the Audit Act; there is another which is well worth considering. Sec-

tion 8 of the Audit Act provides that nothing contained therein shall impair the authority given by the Consolidated Revenue Act and Audit Act to the Auditor General of Canada. And if you refer to chapter 24 of the revised statutes of Canada, Consolidated Revenue and Audit Act, section 63 you will find, with reference to the powers of the Auditor General, the following:

> Besides the appropriation accounts of the grants of parliament, the Auditor General shall examine and audit, if required so to do by the Minister of Finance, and in accordance with any regulations which are prescribed for his guidance in that behalf by the Treasury board. . .
>
> (g) any other public accounts which, though not relating directly to the receipts or expenditure of the Dominion of Canada, the Treasury board directs him to examine and audit.

So that section 63 of that act provides a safeguard, the Auditor General having power to audit "any other public accounts which, though not relating directly to the receipts or expenditure of the Dominion of Canada", and so forth. I contend that the harbour boards through the assistance which they are receiving come under subsection (g) of section 63 of chapter 24 of the act in question. "Any other public accounts" may be taken as including the accounts of harbour commissions, and I do not consider it fair to ask that all the affairs of the harbour boards in general should be submitted to the public accounts committee to be discussed in detail a year after the expenditure has been made. This is not going to prevent any expenditure; the public accounts committee does not deal with prospective expenditures but with those already made, and only by way of criticism can the government be checked if we are not as strict as some gentlemen think we should be. So even through the public accounts committee the safeguard would not be greater because the expenditures would be considered after they had been made. In view of the safeguards we already enjoy I think it only fair that the bill should go through in its present form, which leaves matters in exactly the same position. The matter raised by the hon. member for Vancouver Centre (Mr. Stevens) and supported by others is one which is worth consideration and I am ready to give it the best of my judgment. I will consult the Minister of Finance, by whom the Audit Act is administered, and if anything can properly be done to improve the control we may exercise over these boards, I am quite ready to do it provided we do not embarrass them or complicate their affairs.

Mr. MANION: I would like to say a word on this question, because I believe it to be very important. In a general way I would like to support the remarks of the hon. member for Vancouver Centre; I did not hear his speech, but he has explained the gist of it to me. On different occasions and in different parts of Canada I have heard criticisms of certain harbour boards, criticisms certainly not complimentary to those boards. I am not saying anything against the Montreal harbour board or any other particular board, but I have received letters, some of which are on my files at present, charging some of these boards with taking part in politics and with using funds for political purposes which should be used for the harbours. I do not say that these statements are correct, although I have received them from most responsible citizens, but under the circumstances and while there is danger that these boards may be charged by some people at least with misconduct, would it not be in the interest of the boards themselves to have the Auditor General look into their accounts? It seems to me a most fair proposition. I am not charging any board with misconduct, but it certainly seems to me that the minister will be doing more justice even to the men who compose these boards, and these men should feel that they are receiving more justice, by having the Auditor General look through their accounts and clear them of the charges of misconduct which are being made rather freely in ordinary conversation throughout the country to-day. I believe the minister should promise to make it a general rule that all these harbour boards be put under the control, so far as expenditures are concerned, of the Auditor General.

Probably the minister has very good reasons for saying that it would not be fair to insist that these accounts be brought before the public accounts committee, and the members of the boards interlocuted by all the members of that committee. We all know that outstanding men have taken positions on these boards; I can look back at members of the Montreal harbour board whom I have met in the past; they were outstanding men just as there are outstanding men on that board to-day. But I should think these men would also welcome this proposition, and I think the minister would be well advised in saying to-night that all these boards should have their accounts investigated by the Auditor General. If the boards have nothing of which to be ashamed, as the minister says he is confident they have not, they should welcome the investigation. I believe the minister should take the attitude that the Auditor General of Canada will investigate every one of these boards annually and report to this House.

Mr. CAHAN: In looking into this matter I find that there are two acts, first the Board of Audit Act of 1925, and then the Consolidated Revenue and Audit Act, which is chapter 24 of the revised statutes. I find that in 1925 this parliament decided upon a certain policy with respect to the investigation of the accounts of certain public bodies such as the Canadian National Railway Company, the Canadian Government Merchant Marine Limited and other undertakings which are owned or carried on by the government of Canada, as well as any commission or other public body the operations of which are carried on by appropriations from the treasury of Canada. This harbour commission therefore comes under the Board of Audit Act, section 4 of which provides:

> It shall be the duty of the board to act in an advisory capacity to the Treasury Board and under its direction to inquire into and report with regard to any matters entrusted to it by the Treasury Board including the following:

Then it proceeds to provide for an inquiry into the accounts of the Canadian National Railways, the Canadian Government Merchant Marine Limited and any harbour commission in Canada. This places it entirely within the discretion of the Treasury board as to whether any such public audit of the Montreal harbour commission or other commissions shall be made, and only when the Treasury board gives such direction is an audit of the accounts of such a commission made. It seems to me reasonable to suggest to the Minister of Marine and Fisheries (Mr. Cardin) who has charge of this bill, and also to the Minister of Finance (Mr. Robb), that this Board of Audit Act might be so amended as to provide for annual audits of such commissions as the Montreal harbour commission, so as to not leave it entirely within the discretion of the Treasury board as to whether or not such audit should be made. If such annual audits are made, section 7 of the act applies, which sections says:

> Each report of the board shall be laid before both houses of parliament within twenty-one days from the date of its receipt by the minister, or if parliament be not then in session, within the first twenty-one days of the session then next following.

I am inclined to agree with the minister that when such a report is laid before this House it is quite competent for any hon. member to move that it be referred for further consideration to the public accounts committee. If there is any doubt about it, however, the doubt might be set at rest by a further amendment, in case the Minister of Finance and the Minister of Marine and Fisheries should consider such an amendment necessary. It might be clearly stated in clauses 6 and 7 that the report should be laid not only before the House but before the public accounts committee as well for its consideration. I can see no objection to that. Therefore we come back to the question as to whether the audit board is the proper authority to audit these accounts. I am subject to correction, but I do not understand that the Auditor General of Canada has anything to do with the accounts of the Canadian Government Merchant Marine, or the accounts of the Canadian National Railways; I understand they have their own audit but come so far as public audit is concerned, under the Board of Audit Act of 1925. Is not that correct? I understand it to be so. Therefore I can see no reason why the harbour commission should be dealt with in any different way, in the matter of audit, from that in which the accounts of the Canadian National Railways and the Canadian Government Merchant Marine—two corporations which are receiving and expending very large grants of public money—are dealt with. But I do see a reason why those reports should not be made at the mere suggestion of the Minister of Finance. The report of the Board of Audit should be made annually; it should be compulsory for the board to make an annual investigation of the harbour commission's accounts and annually report upon them. Then the report should be placed before parliament, as now provided in section 7 of the act, and made available to the public accounts committee for further consideration. I can see no real objection to following such a course as that. The contention is that these audits should be made by the Auditor General. I do not know that there is any virtue in an audit by that official which may not be found in an audit under the Board of Audit Act of 1925. I do not think that we should demand an explicit undertaking from the Minister of Marine and Fisheries tonight. But I think that he and the Minister of Finance should consider the whole matter and give it their careful attention, so that later on, when the estimates for the current year are under consideration, they might give us some assurance that either under the Board of Audit Act of 1925, or under the Consolidated Revenue and Audit Act, which is chapter 24 of the revised statutes, an audit and report should be compulsory in each and every year, and that the report made as the result of such audit should not only be laid before parliament as now provided, but should go before the public accounts committee for such consideration as that body may deem necessary to give to it.

Mr. ROBERT GARDINER (Acadia): I heartily support the attitude of the hon. member for Vancouver Centre (Mr. Stevens). I have nothing at all to say in criticism of the Board of Harbour Commissioners of the port of Montreal. I have had the privilege on several occasions of looking over that port and examining the conditions very closely and as far as I could see the port is well run, and conducted in a manner that is in the interests of this country. But I want to remind the minister that some three years ago we considered and discussed in this House the affairs of the harbour commission of Vancouver. Let me remind hon. gentlemen of the important fact that had it not been for the action of the provincial government of Alberta in appearing before the grain commission inquiry and laying its case before that body we should not have discovered what was brought to light at that particular time. The revelations then made were of sufficient importance to bring to the attention of parliament, and we had a long discussion of the situation disclosed. The hon. member for Vancouver Centre has cited to-night two cases in connection with the harbour commission of Vancouver which are detrimental to the interests of that port and of the people of Vancouver, as well as detrimental to the interests of the nation as a whole. We hear statements in this House, and we see long articles printed in the public press from time to time, as to the reasons why the Canadian products do not go through Canadian ports, and propaganda has been directed against the western Canadian farmer because much of his grain passes through ports in the United States. Now there are reasons why Canadian grain goes through those ports. I am not going to say that the only reason is that some Canadian ports are not as well managed as they should be, but undoubtedly that fact enters into the situation. Last season less grain was shipped out through the port of Vancouver than for many years previously. This was not because of the charges made and the conditions brought to light, because there are other factors to be considered. Nevertheless the disclosures made had a certain influence. But it must be borne in mind that the ports on the west coast of the United States are to-day making a great bid for the grain business of Alberta. They are trying to get the grain of that province diverted to their ports instead of being shipped through the port of Vancouver. Now we farmers of the west desire to see the most of our grain go through our own ports, because we feel there is then less danger of admixture than when our grain goes through United States ports. Let me remind the minister that only a short time ago the Vancouver harbour commission raised the rates on grain going through that port, and we had no opportunity to contest their action, at least that is what we were assured by the government of Alberta, and there was no one to speak on our behalf. The situation therefore seems to be this: If harbour commissions were subject to an audit that would be reported to the House and thoroughly considered here, I am satisfied it would increase the efficiency of our ports and would give them a much larger business than they handle now. I hope the minister will see to it, if he possibly can, that the harbour commissions shall be brought under some audit which will be reported to the House, and, if necessary, the commissioners themselves summoned before a parliamentary committee to give explanations.

Mr. CARDIN: I have no hesitation in saying that I would be inclined to favour an annual audit by the audit board such as the hon. member for St. Lawrence-St. George (Mr. Cahan) has suggested. I am quite willing to take the matter up with the Minister of Finance, who is in charge of the two acts to which allusion has been made, and to discuss matters with him along the lines suggested by my hon. friend. If we have an annual audit the report made with respect to it will be tabled according to law. I think this assurance ought to be satisfactory to everyone interested. I understand that the leader of the Progressive party objected the other day because the audit the Minister of Finance might decide upon was merely optional. I shall be prepared to make it compulsory and to have it every year.

Mr. GARDINER: The hon. member for St. Lawrence-St. George (Mr. Cahan) brought to the minister's attention another matter, namely, that if the audit takes place under the audit board, while the report must be tabled in the House, no provision is made that any committee of this House will look into that report if it is found necessary to do so. That is the weakness of the situation. If the minister will promise to provide ways and means to overcome that difficulty, that will probably be satisfactory.

Mr. CARDIN: My hon. friend will surely remember that the hon. member for St. Lawrence-St. George expressed the opinion that according to the law as it stands, the report can be referred to the public accounts committee.

Mr. GARDINER: Yes, but the minister must remember that that is only a lawyer's opinion and we have heard a good deal about lawyers' opinions. What we want is to be secured to the extent that the report shall go before the committee if any member or members of this House shall deem it desirable to have the report so considered by the committee.

Mr. CARDIN: I have no objection to taking the matter up with the Minister of Finance and discussing the suggestion with him.

Mr. SPENCER: Would the minister be prepared to move an amendment to this bill in accordance with the extent to which he has said he is willing to go? I cannot understand why he has hesitated so long to-night before agreeing to meet the hon. member for Vancouver Centre (Mr. Stevens) half way. It seems to me that he has protested too much. When anyone protests too much, naturally people begin to make inquiries and to wonder why the protests are made. I am glad the minister has at last appreciated the fact that members of this House want to know more about these harbour boards. I would be glad if an amendment could be inserted in this measure.

Mr. CAHAN: It should be an amendment to the Audit Act.

Mr. SPENCER: If the minister can assure the House that an amendment will be brought down to cover all ports, I shall be content.

Mr. SPEAKMAN: There is a little information I should like to get as to the method provided for meeting maturing obligations, a somewhat important matter in this House. I understood the minister to say—and he will correct me if I am misquoting him—that the Montreal harbour commission were already providing a sinking fund of one per cent per annum for that purpose; but as this loan obligation which the commission is now securing will mature in twenty-five years it is obvious that a sinking fund of one per cent will not be sufficient to meet it when it matures at the end of that period, even with the accrued interest on the amounts that are retained. What other provision is made, or will the large percentage of that maturing obligation have to be met by further loans? Because if further loans are required, that might mean a continuous increase of the total obligation beyond the point of security.

[Mr. Cardin.]

Mr. CARDIN: Of course a sinking fund of one per cent per annum is not sufficient to meet the total amount of the loan, but it would certainly go a long way towards paying a substantial amount on account of the loan and it would be easy to renew the balance. We must not forget that we are practically making a deal between the right and the left pocket. These commissioners are not proprietors of the things which they are administering. They are administering only the affairs of the state, and the money which is expended by them is for building wharves, elevators and so on, which are the property of the government, and in taking guarantees and all sorts of protection we are practically taking a mortgage on the left pocket for the benefit of the right. By this method it is easier to keep accounts; but we should not forget that we are dealing with our own affairs, our own property; we are lending money to a corporation which represents the government and the state. We should not be too severe in establishing the sinking fund because we are dealing with our own property. I am not objecting to any safeguards. My hon. friend (Mr. Spencer) said that he was surprised that I did not agree to that at first. I have no objection to state the reason. I thought at first that this bill was not the proper place to establish a general principle, as it would apply only to Montreal harbour and would not cover the other harbours that we have. The proper place to make this amendment is in the Audit Act. Secondly, according to my poor judgment and my short experience as a lawyer, I contend that practically all that is being asked for to-night is already in the statutes as they exist.

Mr. CAHAN: It is discretionary in the present statute and we wish to make it compulsory.

Mr. GEARY: Is it the practice of the Montreal harbour board or any other harbour board to set up a depreciation reserve to take care of property used up in the service of the board?

Mr. CARDIN: I do not think so.

Mr. SPENCER: What has the country invested in the port of Montreal, including this $12,000,000?

Mr. CARDIN: The amount is $44,000,000 prior to this.

Section agreed to.

Mr. CARDIN: I beg to move that the following clause be added as section 6:

6. The principal and interest of the sums advanced to the corporation under the authority of this act shall be paid by the corporation out of its revenue mentioned in section eight of chapter ten of the statutes of 1896 (first session) and shall be charged upon the said revenue in the same manner and to the same extent as if the sum so advanced had been borrowed by the corporation under the said chapter ten.

Mr. STEVENS: This, of course, largely meets the objection which I raised at the opening of the proceedings to-night in regard to this bill; but the statement made by the minister some time ago to the effect that no sinking funds were established sufficient to take care of these loans as they matured is somewhat disturbing. I do not wish to delay the committee, but I would point out that the minister's statement of a moment ago, namely, that this is merely a transition of funds from one pocket to the other and that these commissioners are administering our affairs and so on, is scarcely a fair one. These commissioners are corporate bodies created by this parliament. They are carrying on business in competition with private concerns. For instance, in the ports of Montreal and Vancouver in particular they are carrying on a great grain conveying business in competition with other persons in the grain trade. It is unfair to general business, private business, that corporate bodies of this character should have huge loans from the government of Canada without their being compelled to operate these facilities in such a business-like manner that they can fairly compete with the others. For instance, the question of fees enters into the matter. This is a board, we will say, not setting aside a sinking fund to take care of its principal investment. By statute and by regulation of the grain board under the Grain Act the private concern is kept down to the same fees that the public concern charges, but the private concern must take care of its principal and interest. So it is an unfair competition unless the harbour commissioners are compelled so to conduct their business that out of their revenues they shall take care of both principal and interest. I submit therefore, in conclusion, that it is contrary to the original act of 1896, where it is specifically laid down that the principal and interest shall be taken care of, and which deals exactly with, first, the charges against making the loan; next keeping the harbour and so on clean; and lastly, principal and interest. I submit to the minister that parliament should insist that these boards set up a sinking fund sufficient to take care of these loans as they mature.

Mr. CARDIN: The last criticism of my hon. friend is not well founded. There is no difference between this clause and the one which exists in the bill of 1896. The three last lines state "and shall be a charge upon the said revenue in the same manner and to the same extent as if the sum so advanced had been borrowed by the corporation under the said chapter 10." So the loan is under the same restrictions as are provided in the bill of 1896.

Mr. STEVENS: My criticism was that the harbour commission is not carrying out the spirit of these statutes, and my criticism is based on the minister's own statement of a moment ago and his statement of some time ago. At some future time, when we have the estimates before us and can discuss the question generally without being constantly reminded that we are attacking the port of Montreal, I intend to discuss this question of providing sinking fund and the question of adequate protection in the way of audits.

Amendment agreed to.

Section agreed to.

Bill reported, read the third time and passed.

ROYAL AGRICULTURAL WINTER FAIR ASSOCIATION OF CANADA

Hon. W. R. MOTHERWELL (Minister of Agriculture) moved the second reading of Bill No. 64, for the granting of assistance to the Royal Agricultural Winter Fair Association of Canada at Toronto, Ontario.

Motion agreed to, bill read the second time, and the House went into committee thereon, Mr. Johnston in the chair.

Sections 1 and 2 agreed to.

On section 3—Grant for building at Royal Agricultural Winter Fair, Toronto.

Mr. GARDINER: Of what value is it to spread these payments over twenty years? I understand that they propose to put up the building now. Is this merely an instalment?

Mr. MOTHERWELL: The bill makes provision for annual instalments of $35,000 for twenty years. That carries with it the interest charges as well.

Mr. GARDINER: Will bonds be issued for the payment of this building, and be redeemed in part annually?

Mr. MOTHERWELL: I think so. I understand that the city of Toronto will issue bonds.

Section agreed to.

Sections 4 and 5 agreed to.

Bill reported, read the third time and passed.

On motion of Mr. Lapointe the House adjourned at 11.02 p.m.

Friday, February 18, 1927

The House met at three o'clock.

COMMITTEE ON STANDING ORDERS

Mr. L. S. RENE MORIN (St. Hyacinthe-Rouville) presented the first and second reports of the select standing committee on standing orders.

He said: I beg to move the concurrence of the House in these reports.

Mr. ROBB: I take it, Mr. Speaker, that this refers only to such bills as passed both Houses at the last parliament.

Mr. MORIN: Yes.

Motion agreed to.

CANADIAN NATIONAL RAILWAYS

APPOINTMENT OF SELECT STANDING COMMITTEE TO CONSIDER RAILWAYS AND SHIPPING

Hon. CHARLES A. DUNNING (Minister of Railways and Canals) moved:

That rule 10 of the House of Commons relating to the appointment of the select standing committees of the House be amended by adding to the select standing committees of the House for the present session a select standing committee on railways and shipping owned, operated and controlled by the government, to which will be referred the estimates of the Canadian National Railways and the Canadian merchant marine for the present session, for consideration and for report to the House, provided, however, that nothing in this resolution shall be construed to curtail in any way the full right of discussion in committee of supply; and that the said committee consist of Messieurs Bennett, Cantley, Chaplin, Duff, Dunning, Fiset, Goodison, Harris, Jelliff, Jenkins, Jones, McLean (Melfort), Milne, Power and Stevens.

Motion agreed to.

[Mr. Motherwell.]

LIBRARY OF PARLIAMENT—JOINT COMMITTEE

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

That a message be sent to the Senate to acquaint their honours that this House has appointed Messrs. Bird, Bourassa, Carmichael, Chevrier, Cotnam, Edwards (Ottawa), Forke, Garland (Carleton), Geary, Guthrie, King (Kootenay East), McIntosh, Marcil, Neill, Pouliot, Prevost, Quinn, Rinfret, Stirling, Thompson and Young (Toronto Northeast) a committee to assist His Honour the Speaker in the direction of the library of parliament so far as the interests of the House of Commons are concerned, and to act on behalf of the House of Commons as members of a joint committee of both Houses on the library.

Motion agreed to.

PRINTING OF PARLIAMENT—JOINT COMMITTEE

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

That a message be sent to the Senate to acquaint their honours that this House will unite with them in the formation of a joint committee of both Houses on the subject of the printing of parliament, and that the members of the select standing committee on printing, viz., Messrs. Baldwin, Boivin, Charters, Edwards (Waterloo South), Embury, Esling, Evans, Hocken, Hubbs, Lapierre, McIntosh, Marcil, Morrissy, Prevost, Quinn, Raymond, Rennie, Rinfret, St. Père, Speakman, Steedsman, Verville and White (Mount Royal), will act as members on the part of this House on the said joint committee on the printing of parliament.

Motion agreed to.

PRIVATE BILLS

FIRST READINGS

Mr. MACKENZIE KING: The House will observe that there are a very large number of these bills. If it is regular, and Your Honour will perhaps rule that it can be done by unanimous consent of the House, the bills might be read collectively and the first readings given in that way, which would save perhaps an hour of our time and would make no difference in the ultimate result.

Bill No. 4 (from the Senate), for the relief of Alice Victoria McGibbon.—Mr. Garland (Carleton).

Bill No. 5 (from the Senate), for the relief of John Jones.—Mr. Church.

Bill No. 6 (from the Senate), for the relief of Samuel Paveling.—Mr. Edwards (Ottawa).

Bill No. 7 (from the Senate), for the relief of Benjamin Rapp.—Mr. Anderson (Toronto H. P.)

Bill No. 8 (from the Senate), for the relief of Bernard Thomas Graham.—Mr. Anderson (Toronto H.P.)

Bill No. 9 (from the Senate), for the relief of Robert Edward Greig.—Mr. Anderson (Toronto H.P.)

Bill No. 10 (from the Senate), for the relief of Daisie Hawkey.—Mr. Speakman.

Bill No. 11 (from the Senate), for the relief of Olive Mary Mead.—Mr. Garland (Carleton).

Bill No. 12 (from the Senate), for the relief of Alice Elizabeth Blakely.—Mr. Geary.

Bill No. 13 (from the Senate), for the relief of Ethel Maud Hargraft.—Mr. Young (Toronto (N.E.)

Bill No. 14 (from the Senate), for the relief of Frédéric Vinet.—Mr. Geary.

Bill No. 15 (from the Senate), for the relief of Gwendolen McLachlin.—Mr. McPhee.

Bill No. 16 (from the Senate), for the relief of Jessie Evis.—Mr. Arthurs.

Bill No. 17 (from the Senate), for the relief of Max Gertler.—Mr. Casselman.

Bill No. 18 (from the Senate), for the relief of Florence May Hicks.—Mr. Anderson (Toronto H.P.)

Bill No. 19 (from the Senate), for the relief of Ruth May Harrington.—Mr. Edwards (Waterloo South).

Bill No. 20 (from the Senate), for the relief of Edith Maude Bull.—Mr. Kaiser.

Bill No. 21 (from the Senate), for the relief of Joseph Bernard Hoodless.—Mr. Garland (Carleton).

Bill No. 22 (from the Senate), for the relief of Edward Barker.—Mr. Ross (Kingston).

Bill No. 23 (from the Senate), for the relief of Joan Henderson.—Mr. Ladner.

Bill No. 24 (from the Senate), for the relief of Vina Kennedy (otherwise known as Vina Dorothy Kennedy).—Mr. Matthews. (Toronto E.C.).

Bill No. 25 (from the Senate), for the relief of Aimée Glenholme Young.—Mr. Matthews (Toronto E.C.).

Bill No. 26 (from the Senate), for the relief of Alberta Lutz.—Mr. Rennie.

Bill No. 27 (from the Senate), for the relief of George Frederick Adams.—Mr. Anderson (Toronto H.P.).

Bill No. 28 (from the Senate), for the relief of Edward Saville.—Mr. Anderson (Toronto H.P.).

Bill No. 29 (from the Senate), for the relief of Robert Fisher.—Mr. Jacobs.

Bill No. 30 (from the Senate), for the relief of Dorothy Terry.—Mr. Casselman.

Bill No. 31 (from the Senate), for the relief of Lillie May Brown Nichols.—Mr. Garland (Carleton).

Bill No. 32 (from the Senate), for the relief of Hazel Pearle Clarke Pearcy.—Mr. Garland (Carleton).

Bill No. 33 (from the Senate), for the relief of Edith Swartz.—Mr. Hocken.

Bill No. 34 (from the Senate), for the relief of James Gibb Erskine.—Mr. Garland (Carleton).

Bill No. 35 (from the Senate), for the relief of Ernest Johnson.—Mr. Garland (Carleton).

Bill No. 36 (from the Senate), for the relief of Maxime Demers.—Mr. Garland (Carleton).

Bill No. 37 (from the Senate), for the relief of Ethel Clementina Craig-Williams.—Mr. Lennox.

Bill No. 38 (from the Senate), for the relief of Ida Lula Dupuis Murchison.—Mr. Garland (Carleton).

Bill No. 39 (from the Senate), for the relief of Gladys Andrea Boyle.—Mr. Young (Toronto N.E.).

Bill No. 40 (from the Senate), for the relief of Leslie Ellis Noble.—Mr. Garland (Carleton).

PRIVILEGE—MR. MACKENZIE KING

CORRESPONDENCE WITH LORD BYNG

On the Orders of the Day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I rise to a question of privilege. The matter has reference to an editorial which appears in the Ottawa Journal of Wednesday, February 16, 1927, entitled: The Byng-King Correspondence; Some Secret History. I would have referred to this matter yesterday, when it first came to my attention, had it not been that my colleague, the Minister of Finance (Mr. Robb), was about to deliver the budget address, and I thought the House would not wish to be detained at that time. I may say that were it not that the article is being copied in other papers throughout this country, and has also been telegraphed abroad, I would be prepared to treat it with the silent contempt which I accord most of the editorials which appear in the Ottawa Journal in reference to myself. However, as the article, apart from constituting a reflection on the personal honour of the former Governor General of this country, is in the nature of things and as a matter of fact, a fabrication from beginning to end, I feel that as it relates to an important constitutional question, I must make a very clear and emphatic statement concerning it.

I say in the first place that the article in the nature of things is a fabrication, because it implies that the former Governor General was prepared to accord to the Journal the

right of listening in on conversations which took place between the Governor General of Canada and the Prime Minister of this country, conversations which in the nature of things were in the strictest confidence. In the second place, it implies that the Governor General was prepared to make to the Journal, or to other persons, statements which he was not prepared to make a matter of official record, and in fact did not make a matter of record in correspondence which admittedly was designed for purposes of official record and to which alone this parliament and the people of this country at the present or at any subsequent time can appeal as the authoritative record. As a matter of fact the article is untrue, as I am in a position authoritatively to state. I shall not read the entire article, but I will refer to one or two pertinent paragraphs. Near the close of the first paragraph the article has the following:

> Publication of the letters, however,—

Referring to the correspondence which was laid on the table of the House—

> —makes it possible, and indeed desirable, to reveal what the letters do not disclose, but what was the very heart and centre of the whole difficulty. The Journal, therefore, herewith presents the exact circumstances which led up to—and which justified—the action of Lord Byng.

The action referred to being the refusal of dissolution to myself as Prime Minister last year. I may just note in passing that the use of the words "and which justified" would seem to indicate that even in the mind of the editor of this paper, so far as the official record is concerned, the Governor General's action on constitutional grounds was not justified.

The paragraph that I wish particularly to bring to the attention of the House and to refer to is the following:

> To understand and appreciate the position taken by Lord Byng, in refusing Mr. King dissolution, it is necessary to go back to October, 1925. Following the election of that time, which saw Mr. King return to parliament with 16 fewer supporters than Mr. Meighen, Mr. King went down to Rideau Hall and intimated to Lord Byng that he intended to resign. Three or four days later, however, (after he had consulted with his ministers, who told him that he must not resign), Mr. King visited Lord Byng again and told him that he had changed his mind, that he thought it was his duty to meet parliament and to take a chance of surviving a non-confidence motion. Lord Byng, naturally surprised, in view of what Mr. King had said to him at their previous meeting, told Mr. King that he would agree to having him meet parliament, but he added that he thought it should be understood—

And then the following appears in italics—

> —that in the event of his (Mr. King's) government being defeated, either upon the meeting of parliament, or upon a later date in the session, or in the event of Mr. King finding himself unable to govern, he (Lord Byng) would consider it his duty to call upon Mr. Meighen to find out whether or not he could form a ministry.

The italics end there and the article goes on:

> Mr. King said that was perfectly satisfactory. Lord Byng thereupon suggested that Mr. King make this understanding known to his cabinet, and Mr. King said that he would do so. The matter rested there until toward the end of June, 1926.
>
> Following adverse votes against his government in the House of Commons toward the end of June, Mr. King went to Lord Byng—and said that in the circumstances, he would have to advise him to dissolve parliament, Lord Byng at once reminded him of their understanding...

Fortunately as respects adverse votes against the government, there are the journals of this parliament to appeal to and I repeat what has been repeated time and again, that there was no adverse vote against the government of which I was Prime Minister in the last parliament nor is there record of any to be found in the journals of the House.

Some hon. MEMBERS: Oh, oh.

Mr. MACKENZIE KING: The records of this House speak for themselves on this point.

Some hon. MEMBERS: Oh, oh.

Mr. MACKENZIE KING: The next point to which I wish to refer is the repeated reference in the editorial to an alleged understanding between Lord Byng and myself arrived at after the election of 1925. I wish to say emphatically, on my responsibility as Prime Minister of this country, that there was no understanding between Lord Byng and myself other than what appeared in the public prints of this country in a statement which I issued to the public, after having submitted it to Lord Byng in the first instance for his approval. There was no understanding of any kind, and I cannot make that statement too emphatic nor too clear. The only advice which I tendered to Lord Byng was to let parliament decide with respect to the situation that arose after the election of 1925. That advice was accepted by Lord Byng, and parliament met and did decide the question as to who was to be the leader in this House in the last parliament.

I hold in my hand a statement which I gave to the press on the night of November 4th. This particular statement—

Mr. CAHAN: What year?

Mr. MACKENZIE KING: Nineteen twenty-five. The election took place on October 29. This statement was handed to the press on the night of November 4, and will be found, I think, in the press of the day following. Before giving this statement to the press I took it personally to government house and presented it to the then Governor General who approved it in its entirety. It was then given to the press; it appeared in the press of our country, and from that moment to this, no exception whatever from any source has been taken to it. The statement is as follows:

The latest official returns having made it apparent that as a result of the general election held on October 29, no one of the participating political parties would of itself have a clear majority in the House when parliament assembles, it became my duty as Prime Minister to acquaint His Excellency the Governor General with the situation and to advise His Excellency as to the course which should be pursued. After several interviews with His Excellency at which the position brought about by the recent general election was fully discussed and all alternatives presented, I have taken the responsibility of advising His Excellency to summon parliament for the earliest practicable date in order to ascertain the attitude of the parliamentary representatives towards the very important question raised by the numerical position of the respective political parties. His Excellency has been pleased to accept this advice.

After careful consideration of the constitutional precedents and their bearing upon the situation which has arisen as a result of the general election, the cabinet decided unanimously this afternoon that it was their constitutional duty to meet parliament at the earliest possible moment, regard being had for the legal requirements with respect to the time necessary for the return of the writs and the official gazetting of the members who have been elected.

In the interval, until parliament assembles it is the intention of the government to refrain from making appointments beyond such as are essential for the proper carrying on of the public business.

In the present situation there are three possible courses of procedure, each of which has been carefully considered by the cabinet:

1. That His Excellency be asked to grant an immediate dissolution of parliament.

2. That His Excellency be asked to call upon the leader of the largest political group to form a government.

3. That His Excellency be asked to summon parliament at the earliest practicable date for the purpose aforementioned.

With respect to an immedate dissolution it was felt that it was not in the interests of the country to occasion the turmoil and expense of another general election until at least parliament had been summoned, and the people's representatives in parliament had been afforded an opportunity of giving expression to their views.

With respect to the leader of the political party having the largest definite following in the House of Commons being called upon to form an administration, the cabinet holds the view that responsible self-government in Canada rests upon the principle that the majority are entitled to govern, the majority so understood meaning not the political party or group having the largest number of members, but the majority as determined by the duly elected representatives of the people in parliament. Far from indicating that Mr. Meighen is in a position to command a majority in the newly elected House of Commons, the results of the election appear clearly to indicate that he is not in such a position. I am not aware of any precedent in Great Britain or in Canada for recommending, before parliament meets, that the leader of a party not commanding a clear majority in the House of Commons should be called upon to form a government.

To summon parliament and to allow the House of Commons to disclose its attitude upon division, is the procedure warranted by constitutional precedent and by the present circumstances. To take any other course would be to fail to recognize the supreme right of the people to govern themselves in the manner which the constitution has provided, namely by expressing their will through their duly elected representatives in parliament and in accordance with recognized parliamentary practice.

I wish to repeat that before that statement was given to the press, the very sheets from which I have read the statement and which I now hold in my hand and to which I have attached a memorandum of identification, were read by His Excellency the then Governor General, and His Excellency approved the statement exactly in the form in which I have now read it. May I say that the implication of the article in question is that there was some sort of a bargain between the Governor General of this country and myself as Prime Minister whereby I was to hold or be permitted to hold office. Any implication of that kind is a reflection upon the Governor General as the representative of His Majesty the King and a reflection upon myself as Prime Minister. Moreover, it entirely ignores, what at least anyone sitting on this side of the House would maintain as the only constitutional position, and indeed the position which I have stated over and over again to be the constitutional position, namely, that the power to govern in this country comes not from the Governor General but from the people of the country through their representatives in this parliament. That was the one and only position which I as Prime Minister took in conversations with Lord Byng as the Governor General, and it was the basis of the advice which I then gave His Excellency regarding the summoning of parliament and allowing the people's representatives to decide. There was no understanding apart from the advice which I gave in that regard.

May I add that the official record as laid on the table of this House discloses, without the

possibility of controversy, that in His Excellency's mind there was no understanding of any kind that could have been directly or indirectly material to, or relevant to, or a salient feature of, the conversations held between us subsequently. If there was any such understanding, it would have been the duty of His Excellency to have made mention of it in correspondence which passed between us and which was for the purpose of having of record exactly what had transpired in conversation. To assume that a Governor General on a great constitutional issue would ignore in an official communication to his Prime Minister the reason which actuated him in taking a particular course is, to imply, to say the least, that the holder of that great office was not competent to fill it. The House I am sure will agree that every pertinent fact with respect to a great constitutional issue, where an official record is being made of the situation, ought to be made a part of the official record.

I wish to read to the House what His Excellency the Governor General wrote me, and I would ask the House to note with care the precise words used in this communication. This letter has already been laid on the table of the House:

Government House, Ottawa,
My dear Mr. KING, June 29, 1926.

I must acknowledge on paper, with many thanks, the receipt of your letter handed to me at our meeting yesterday.

In trying to condense all that has passed between us during the last week, it seems to my mind that there is really only one point at issue.

May I pause to direct the attention of the House to the two phrases used in that sentence:

In trying to condense all that has passed between us.

Note the "all," that is clear and comprehensive. It does not ignore any salient feature, and so as to make it emphatic may I pause to say that Lord Byng, while Governor General, or since has at no time in conversation with me ever alluded to any understanding between himself and myself apart from anything that is of official record here, and this for the good and sufficient reason that there was no understanding apart from what is recorded. Lord Byng continues:

It seems to my mind that there is really only one point at issue.

Only one point, note again the "one." What is the point?

You advise me "that as, in your opinion, Mr. Meighen is unable to govern the country, there should be another election with the present machinery, to enable the people to decide." My contention is—

[Mr. Mackenzie King.]

Not that there was some understanding on which I was holding office, but—

—that Mr. Meighen has not been given a chance of trying to govern, or saying that he cannot do so, and that all reasonable expedients should be tried before resorting to another election.

Permit me to say once more that, before deciding on my constitutional course on this matter, I gave this subject the most fairminded and painstaking consideration which it was in my power to apply.

I can only add how sincerely I regret the severance of our official companionship and how gratefully I acknowledge the help of your counsel and co-operation.

With warmest wishes,

Yours sincerely,

BYNG OF VIMY.

To that communication I replied as follows:

Ottawa, July 3, 1926.

His Excellency, General
The Right Honourable the Lord Byng of Vimy, G.C.B., G.C.M.G., etc., Governor General of the Dominion of Canada, Ottawa.

My dear Lord Byng:

I duly received Your Excellency's letter of June 29th, for which I desire to thank Your Excellency.

Paragraph three of Your Excellency's letter reads as follows:

"You advise me 'that as, in your opinion, Mr. Meighen is unable to govern the country, there should be another election with the present machinery to enable the people to decide'."

Also:

"My contention is that Mr. Meighen has not been given a chance of trying to govern, or saying that he cannot do so, and that all reasonable expedients should be tried before resorting to another election."

To the accuracy of the statement of Your Excellency's contention as set forth in this paragraph, I have no exception to take. Inasmuch, however, as what purports to have been my advice to Your Excellency appears in Your Excellency's letter within quotation marks, and might therefore be assumed to be words of mine as expressed in conversation with Your Excellency in tendering advice, may I respectfully say that the words "with the present machinery"—apart from the entire sentence appearing as a quotation,—are quite misleading, as no such words were used or referred to by me in any advice tendered. Fortunately, the text of the quotation clearly indicates that, taken as a whole, the words as quoted could not have been words coming from me.

I advised Your Excellency that, in my opinion, the existing situation in the House of Commons demanded a dissolution of parliament, and there should be another election to enable the people to decide upon a new House of Commons.

In reply to Your Excellency's contention that Mr. Meighen had not been given a chance of trying to govern, or saying that he could not do so, I said that I could not advise Your Excellency to send for Mr. Meighen or for any other member of the present House of Commons to form an administration, as I did not

believe any other administration could be formed which would command the confidence of the House. As to Mr. Meighen not having been given a chance of trying to govern, I pointed out that at the commencement of the session it had been left to the people's representatives in parliament to decide as to who was to advise Your Excellency, and that Mr. Meighen's chances to obtain the support of the Commons had been quite as good as my own; that the House of Commons having declined to express any confidence in Mr. Meighen throughout the entire session, I could not see wherein there was any probability of the House giving him the support which would enable him to carry on the government, and that therefore I could not assume the responsibility of advising Your Excellency to send for him. As there was still less probability of any other hon. member of the House being able to command its confidence, dissolution, to be followed by a general election, in which the people would be given an opportunity to decide, appeared to me the only course which I could advise, and I advised accordingly.

As no formal record of the conversations between us was kept—

I will ask the House to pay attention to this paragraph, because I was drawing the attention of His Excellency to the advisability of having a record of exactly what was said between us, knowing that this question at some future time would be raised:

As no formal record of the conversations between us was kept, I have felt, in view of the representations of paragraph three of Your Excellency's letter, which will become a matter of official record, I should also record on paper my own statement of the advice tendered Your Excellency both as regards dissolution and Your Excellency's contention in reference thereto.

With respect to the concluding paragraph of Your Excellency's letter, may I say that I am sure that the regret felt by Your Excellency at the severance of our official companionship was not any greater than my own, and that I acknowledge with not less gratitude the help of Your Excellency's counsel and co-operation throughout the period during which I had the privilege of enjoying Your Excellency's confidence.

I am, You Excellency,
Yours very sincerely,
W. L. MACKENZIE KING.

Now what was the reply made by His Excellency to that communication, which, as I state, is the official record of what took place between us both as regards dissolution and His Excellency's contention in reference thereto. It was as follows:

Government House
Ottawa, July 5th, 1926.

Dear Mr. KING,

Many thanks for your letter of July 3rd. The letter in question was written entirely from the wish on my part to express my sincere gratitude for the help and co-operation you have given me during your tenure of the Premiership. The quotations in it are by no means intended to recall words used at our meetings, and in that connection I would ask you to read the preceding paragraph.

I was stating my impression as to the one point at issue, and endeavouring to put it in a condensed form.

I repeat that statement:

I was stating my impression as to the one point at issue, and endeavouring to put it in a condensed form.

Of course, I readily add your letter to the documentary record of the situation.

Yours sincerely,
BYNG OF VIMY.

The Rt. Hon. W. L. Mackenzie King,
C.M.G., etc., etc., Ottawa.

There is the official record as given to this parliament of all that actually transpired that was material between Lord Byng and myself, and I submit, Mr. Speaker, that no public journal in this or any other country has a right to circulate false statements, false representations with respect to communications between the Prime Minister of a country and the representative of His Majesty, and this more especially when it is known that the only source from which the truth can come is either the representative of the crown itself or the Prime Minister of the country with whom the conversations were had.

Again, as Prime Minister of Canada, I wish to repeat that the record as laid on the table of the House here sums up, in its entirety, all of what transpired between Lord Byng and myself in reference to dissolution as respects all salient and essential features.

MARITIME CLAIMS—THE TARIFF

On the Orders of the Day:

Mr. THOMAS CANTLEY (Pictou): I should like to direct a question to the hon. Minister of Finance (Mr. Robb), who in his budget statement yesterday, which is to be commended for its brevity and clarity, made the remark that he and his colleagues had considered it to be the part of wisdom to make no changes in the tariff at the present session. May I ask him what bearing this has on the implementing of the Duncan report?

Hon. J. A. ROBB (Minister of Finance): I think my hon. friend has read Hansard correctly, and he will have to place his own interpretations upon the budget.

RETURNED SOLDIERS' INSURANCE

On the Orders of the Day:

Mr. J. A. CLARK (Vancouver-Burrard): I note that at a recent convention of the

British Empire Service League, presided over by Sir Percy Lake, a recommendation was made to the government that the returned soldiers' insurance, should be reopened for a period of one year. I would ask whether that recommendation has been considered and adopted by the government.

Right Hon. W. L. MACKENZIE KING (Prime Minister): The question which my hon. friend has just raised is one on which the Minister of Health (Mr. King) would be best informed, and I would ask that the question might stand until Monday. I shall direct the minister's attention to it.

INDIAN ACT AMENDMENT

Hon. CHARLES STEWART (Minister of the Interior) moved the third reading of Bill No. 56, to amend the Indian Act.

Motion agreed to, and bill read the third time and passed.

ST. REGIS INDIAN RESERVE

CONTROL OF ST. LAWRENCE RIVER ISLANDS BY SUPERINTENDENT GENERAL

The House resumed from February 15th consideration in committee of Bill No. 55, to provide for special control by the Superintendent General of Indian Affairs of certain islands in the St. Lawrence river being part of the St. Regis Indian reservation.

Sir GEORGE PERLEY: When we discussed this bill, before, I understood that the minister was going to inquire and bring down a memorandum showing the reasons advanced by the officials of the department why there should be special clauses in this act different from those in the general Indian Act.

Hon. CHARLES STEWART (Edmonton, Superintendent General of Indian Affairs): In our discussion of section 2 of the act the other day, the hon. member for Argenteuil asked why the necessity for its inclusion in this bill, and had we not authority in the Indian Act itself? We have authority in sections 127 and 128 of the Indian Act to prevent the cutting of timber, and penalties are provided for the prosecution of parties who trespass and take off the timber, but the provision in the act applies only to lands occupied by the Indians. That is distinctly stated. I have gone thoroughly into that matter, and that is the reason we are asking for authority here. Where the land is not in occupation by the Indians or owned in common by them we have no authority in the act to prevent the Indians from cutting timber. We want this provision because we are dealing with land which is the common property of the band not allocated to any member of the band and not resided on by the Indians. The provision is practically identical with the provision contained in the Indian Act for the purpose of the prevention of depredations or cutting of timber on land held by allotment.

Mr. GUTHRIE: Since the matter was in the committee on a previous occasion, my hon. friend from Stormont (Mr. Smith) came to see me and endeavoured to explain what was really behind this special bill. Perhaps if my hon. friend from Cornwall would enlighten the committee it might make the matter clearer, because I think he understands the question better than any other hon. member in the committee.

Mr. SMITH (Stormont): These islands mentioned in Bill No. 55 lie opposite and east of Cornwall. Unfortunately, the other day when the bill was before the committee I was called out of the House. I am very glad it has come up again because it gives me an opportunity to say a few words in regard to it. I have read over the Hansard report covering the questions asked when the bill was before the committee on a previous occasion, and I notice that some hon. member asks if these islands were in any way required for the St. Lawrence development. I may say that all works in connection with the St. Lawrence development are several miles west of these properties. The nearest island is the Easterbrook farm on Cornwall island. That island is occupied by the Indians of the St. Regis reservation, with the exception of one farm, which was leased about 105 or 106 years ago to the Easterbrook family and has been occupied by them ever since. Hamilton's island and Macmaster's island were in the same position, except that they were leased to families of the present tenants and were never occupied by the Indians. Colquhoun's island which is referred to by another name in the bill is also in the same position. A few years ago the department, feeling that the present tenants were not paying anything like an adequate rental for the property, took action in the Exchequer court to have the leases terminated at the expiration of the first ninety-nine year period. The cases have been in court for some time, and in connection with Macmaster island judgment was given declaring that the leases were not renewable for the next ninety-nine year period. The Colquhoun estate, which held the lease for Colquhoun's island, accepting this as good law, abandoned the island, and threw themselves upon the mercy of the department so far as future leases were concerned. The Easterbrook and Hamil-

ton island cases are still pending and have not yet been brought to trial, but undoubtedly the same judgment will be given in these cases. Macmaster island was the summer home of the late Sir Donald Macmaster and is not suitable for any other pur-

4 p.m. pose. If the Indians were in possession of that island it would be absolutely of no use to them and would not be productive or return any revenue. Hamilton island is a fairly large-sized island. On one end of it there is the Hamilton farm, and on the other end of it there are about thirty-five summer cottages, with some little timber back of the cottages. This island, outside of the one farm on it, would not be suitable to produce any revenue whatever for the Indians, but as a summer resort it is largely used by the people of Cornwall and surrounding districts. Colquhoun's island would not produce anything at all of any value to the Indians of that section, or any other section, but it likewise has some thirty-five to forty summer cottages. The Easterbrook farm is a farm of about 200 acres on the Cornwall island, and was held by the Easterbrook family and while a good farm is more valuable from a sentimental standpoint. It is not a very convenient location, because they have to cross in small boats to get to market in Cornwall. The leases were held to be non-renewable. Under the existing regulation the department would have a perfect right to allow the Indians to go on the lands in question but the band would not have a right to lease the property to any particular Indian. The land would be non-productive. These lands would not be of any real value to the Indians, because the Indians, as I know them are anything but thrifty, and the result would be that those summer cottages would be destroyed and no rental would be received. The Indians would be content to lead a life of luxury in the cottages so long as they stayed there. The only request I have to make to the department is that if this bill goes through, and if the islands are leased under short term leases, the Indians shall get the benefit of the higher rentals that might be obtained on any renewal of leases. I am content, in order to safeguard the Indians, that a clause should be put in providing that the leases should be for five years, or any short period the department may fix. I heard it mentioned by some hon. member that perhaps there was some motive behind this bill. There has been a rumour that the island is wanted by some American organization for the purpose of constructing an hotel, or something of that description. I would be the first to object to that, because I am very much interested in the people who have possession of the place now, and who, by the way, are using the place more or less as squatters, and are not paying any rent in the meantime, because the department refuses to accept rent. The department claims that they have no right to be there and they cannot make any lease with them, although there is back rent coming to them since the time the leases were declared to be terminated.

The Indians have been provided with every safeguard in this matter, they have everything to gain by the bill going through and the department obtaining for them a fair rental, and I hope the committee will consent to this measure being passed.

Sir GEORGE PERLEY: What the hon. member for Stormont (Mr. Smith) has said is very interesting, and I think we begin to understand pretty well what the situation is. It strikes me the minister should give the present occupant the first chance of obtaining a renewal of his lease from the government. The other day he said he would do that but nothing has been stated yet which explains to me the reason why the government wants this bill at all. The hon. member from Stormont stated definitely that there was no scheme behind this legislation, that it is plain and aboveboard, and that what the department proposes to do is for the benefit of the Indians. Under the present Indian Act the Minister of the Interior has the power to lease these islands with the consent of the band. Now if it is definitely proved that it is for the benefit of the Indians it cannot be supposed that the Indians are going to refuse their consent. As regards section 2, I still do not understand why the government is unable to proceed under the Indian Act and do all this with the consent of the band.

Mr. SMITH (Stormont): The trouble is that under the present law Indian lands can be dealt with only by lease, when the Indians themselves have allocated the land, and then only with the consent of all the members of the band. The Indians, like the rest of us, have their squabbles, and if you consulted them as to whom the land should be allocated to in order that a lease might be entered into for the band, all sorts of trouble might arise. We are right on the American border in our particular section and irresponsible agitators have been disturbing the Indians on the question of national status. So that if you called the St. Regis band together and asked them to suggest the person to whom Colquhoun island should be allocated there would be such a dispute as could hardly be settled. Each one would want to have his claim recognized.

Sir GEORGE PERLEY: Does the hon. member mean that this island would have to be allocated to a particular Indian before the government could lease it?

Mr. STEWART (Edmonton): No, the hon. member is referring to the lease. Each lease is independent and under the proposal of my hon. friend it would have to be passed upon by the band. There are a great many leases involved here. A number of summer cottages are already in existence and the courts have decided that the leases no longer hold good. If the Indians go there to-day and destroy timber the property is their own and we have no provision in the act whereby we can prevent them. The leasing is only a matter of convenience. The moneys are definitely to go to the benefit of the band, no matter what the rentals may be. Perhaps it might be interesting to give the rentals on the ninety-nine year leases. They are:

Name	Acres	Old rent	Estimated rent
Macmaster, agriculture and cottages.. ..	175	$10	$200
Snyder..	25	4	Barren of trees, no cottages
Lewis..	10	14	200, 10 cottages on island
Hamilton..	100	20	600
Easterbrook..	200	10	200
		$58	$1,200

We have no authority to lease the land without obtaining the consent of the band, which is now scattered, some of its members being in the United States; and the property might all be destroyed without our being able to prevent it. While the leases were in existence the lessee had his rights, but once the leases are abrogated the land is the common property of the band. We are asking for the privilege of protecting the property of the Indians themselves.

Sir GEORGE PERLEY: Does the minister say that the band is so scattered that consent could not be obtained as in the case of other bands of Indians?

Mr. STEWART (Edmonton): Before action can be taken with respect to Indian lands you must have a majority vote of the band, and there are always a number of agitators who are ready to start trouble. I do not want to be arbitrary; I am merely pointing out the situation that exists. On such land as is the common property of the band, under the act we have little or no authority to protect these islands unless the band were prepared to grant individual leases. And that would be exceedingly difficult of achievement.

Sir GEORGE PERLEY: Would it be more difficult than in the case of other Indian lands?

Mr. STEWART (Edmonton): Yes. In the case of a grazing or a timber lease, on property situated on the reserve itself, there is no reason on earth why the band could not be consulted fully, and if they disagreed further action would be impossible. But in this case, where the property is separate from the reserve and you have such conditions as prevail there, we are bound to have the special legislation for which we are now asking, because we do not want to amend the provisions of the act generally. We simply want to define our extended authority and to say where it begins and ends with respect to these particular lands.

Sir GEORGE PERLEY: There is no particular hurry about passing this bill and an hon. member on this side would like to say a few words in regard to it. The minister is assuming a very unusual power in this legislation. He says that the proceeds go to the band, and points out that this provision is contained in the general act. But he has not much faith in the general act.

Mr. STEWART (Edmonton): We have no authority to divert any of the funds. I am merely asking for the authority to allocate funds under $2,000. Beyond that I cannot do at all.

The CHAIRMAN: Shall I report the bill?

Sir GEORGE PERLEY: No; the hon. member for Vancouver Centre would like to say a few words on the subject.

Mr. STEWART (Edmonton): I suggest that we report the bill and if on the third reading the hon. member desires to recommit it there will be no objection.

Bill reported.

OLD AGE PENSIONS

The House resumed, from February 15, consideration in committee of the following proposed resolution—Hon. Mr. Heenan—Mr. Johnston in the chair:

Resolved, that it is expedient to bring in a measure respecting old age pensions, and to provide,—

1. That the Governor in Council may make an agreement with the Lieutenant-Governor in Council of any province for the payment to such province quarterly of an amount equal to one-half of the net sum paid out during the preceding quarter by such province for pensions pursuant to a provincial statute authorizing and providing for the payment of such pensions to the persons and under the conditions hereinafter specified and regulations made under the proposed legislation.

2. That every agreement so made shall continue in force so long as the provincial statute remains in operation or until after the expiration of ten years from the date upon which notice of an intention to determine the agreement is given by the Governor General to the Lieutenant-Governor of the province with which the same was made.

3. That before any agreement so made comes into operation, the Governor in Council shall approve the scheme for the administration of pensions proposed to be adopted by the province, and no change in such scheme shall be made by the province without the consent of the Governor in Council.

4. That all sums payable to any province in pursuance of any such agreement shall be payable from time to time on the certificate of the Minister of Finance out of any moneys belonging to the consolidated revenue fund of Canada not otherwise appropriated.

5. That provision shall be made for the payment of a pension to every person who, at the date of the proposed commencement of the pension:—

(a) is a British subject, or, being a widow, was such before her marriage;

(b) has attained the age of seventy years;

(c) has resided in Canada for the twenty years immediately preceding the date aforesaid;

(d) has resided in the province in which the application for pension is made for the five years immediately preceding the said date;

(e) is not an Indian as defined by the Indian Act;

(f) has not made any voluntary assignment or transfer of property for the purpose of qualifying for a pension.

6. That the receipt of a pension shall not by itself constitute a disqualification from voting at any provincial or municipal election.

7. That the maximum pension payable shall be two hundred and forty dollars yearly, which shall be subject to reduction by the amount of the income of the pensioner in excess of one hundred and twenty-five dollars a year.

8. That provisions be made as to the credit to the pension authority of the annual value of a pensioner's residence, and the recovery of pension payments out of deceased pensioner's estate, and for the distribution of pension burden among provinces by proportionate reimbursement or proportionate reduction where the pensioner resided in more than one province or transfers his permanent residence to another province, and for ceasing of payments where he transfers his residence to some place out of Canada, and the revival of his rights upon again becoming a resident of Canada.

9. That no pension shall be subject to alienation or transfer by the pensioner, or to seizure in satisfaction of any claim against him.

10. That on or before the thirtieth day of April in each year, the Minister of Finance shall make a full report to parliament of the operation of the agreements made pursuant to the proposed act, and of the moneys of Canada paid to the provinces under each of the several agreements entered into pursuant thereto.

11. That the Governor in Council shall have power from time to time, on the recommendation of the Minister of Labour, and with the approval of the Treasury board, to make regulations, not inconsistent with the provisions of the proposed act, with regard to the pensions herein provided for, and such regulations shall be published in the Canada Gazette, and be laid before parliament.

Mr. BARBER: This is the proper time to offer criticisms or suggestions in regard to the subject of old age pensions. We should be in a better position to discuss this matter this year, because in the meantime we have passed through a general election in which this question was considered by hon. gentlemen opposite to be one of the main issues. We on this side of the House were charged with opposing the principle of old age pensions and with actually killing the bill. Hon. gentlemen on the other side of the House who were here last year will agree that these charges are not well founded. We offered criticism, as we have a perfect right to do, but the bill passed the House without a division. In my own campaign I was very unfairly charged with opposing this principle, and in that connection I wish to refer to two general statements which I made when the matter was being considered last year. At page 2537 of Hansard I said:

> There is probably one point on which we all agree, and that is that something is necessary in the way of old age pension legislation.

Then further on, at page 2538, I made another general statement:

> Now, at the present time we know that from all over the Dominion there is a call from many aged people for immediate relief, and I am of opinion that the source of that relief should be the federal government...

Throughout the campaign I adopted the same position which I am adopting to-day and which I took last year.

I wish to congratulate the hon. member for Kenora-Rainy River (Mr. Heenan) on his appointment to the important post of Minister of Labour, but considering his long experience with social legislation I am somewhat surprised that he did not bring down a bill a little more acceptable to the country; I had hoped that he would have fathered a federal scheme. In fairness to all parts of Canada I am convinced that old age pensions should be administered by the federal government, but the minister has decided otherwise, and according to the resolution before the House

the bill will be the same as that passed last year, in spite of the announced opposition of a majority of the provinces. I think I am safe in saying that, from the replies read the other day by the minister. He followed the reading of those letters by a statement, which I did not quite understand; he said:

> If in view of these replies, we now introduce a bill that removes the obstacles mentioned, would you not consider that the provinces are in favour of an old age pension scheme?

Further on he said:

> As an example, the province of British Columbia was opposed to this scheme because the obstacles in the way were insurmountable, but to-day we have the spectacle of a bill introduced in the legislature providing for this on a co-operative plan.

The minister said British Columbia was opposed to this bill because there were insurmountable obstacles in its path, but I think hon. gentlemen will agree that these obstacles could not have been removed by the legislation, because he tells us that the bill is similar to that passed last year. Then why did the Premier of British Columbia adopt the scheme? He did so simply because he considered it a good weapon to use in the interests of the Liberal party in the last election. He toured the province during that campaign in the interests of the Liberal candidates, and promised the electors that he would bring down legislation accepting a federal scheme; he also advised them that it was in their interests to send to Ottawa Liberal members. Mr. Oliver kept his word so far as the bill was concerned, but apparently the electors did not accept his advice. The Minister of Labour, in referring to the fact that this was one of the main issues of the campaign said:

> If we are to interpret the will of the electorate on that question in the way we usually interpret electoral decisions, there can be no question that the principle adopted in this Bill was endorsed by the people of Canada.

I wonder how he interprets the results in British Columbia? I will undertake to do that for him, in a very few words. I passed through that campaign, and I am convinced that the people of that province are favourable to old age pensions, but they are not favourable to the bill introduced last session.

In view of the fact that we cannot have a federal measure, and since British Columbia is willing to accept something in the way of a co-operative scheme, as one of the representatives of that province I am prepared to accept such legislation if it is made fair and reasonable, but I am going to offer a few suggestions which I think would make the proposed bill a little more acceptable.

[Mr. Barber.]

Dealing first with clause 5 of the resolution, it is proposed to set the age limit at 70 years. If this age limit were in force in Australia, where the limit is now 65, we are informed that 90 per cent of those now in receipt of an old age pension would not receive anything. In New Zealand the disparity is even greater. There the limit is 65 for males and 60 for females, which limit may be reduced to 60 and 55 respectively where two or more children under fourteen are dependent on the recipient of the pension. Just in connection with this point I would like to quote an extract from a letter appearing in a Vancouver paper which reached me to-day. The letter deals with this matter and is signed by an ex-soldier:

> In regard to the proposed pension bill now being advocated, surely some clause should be inserted or brought up giving special privileges to the returned soldier who has prematurely aged through war service. The present act stipulates at the age of 70, but I would venture to say that many of us, especially those like myself who perhaps were not wounded but suffered from camp life and exposure, will not last out to this age and, moreover, if living to the age of 60, will be unable to carry on work in civil life. These are the ones who surely deserve special consideration in a scheme of old age pensions.

I would suggest to the minister that he consider the scheme adopted in New Zealand whereby the age limit may be reached in certain cases.

Clause 7 of the resolution provides for a maximum pension of $20 per month, as compared with $26.50 in Australia. In this connection I would like to draw attention to another letter appearing recently in the Vancouver press:

> ...you credit Premier Oliver with being a generous man. Is the following a sample of his generosity? He was reported as saying he is in favour of the old age pension bill of $20 per month for men of 70 years, as passed by members of the Commons and, moreover, was cited as saying "Half a loaf is better than none." And that in face of the fact that prisoners in British Columbia jails are allowed $1 per day for their upkeep by the British Columbia government and no room rent to pay.
>
> What on earth could our poor old indigent men do with $20 per month? The lowest price for a small, clean bedroom in Vancouver is $2.50 per week. That figures out at $11.17 per month and would leave them $8.83 to buy food for thirty-one days, and would mean slow starvation. Why such discrimination against our aged poor? The eligible age should be 65, the same as in England, Australia and other countries, and the pension not less than criminals in British Columbia jails are receiving for their upkeep, $1 per day.

I would urge that the minister give a little consideration to the advisability of increasing

this pension. I also point out that the resolution only permits a pensioner to have an income of $125 per annum. Now New Zealand is much more generous in the matter of private income. It permits the pensioner to have an income up to $390 per annum or $650 if the recipient is married, and the net value of accumulated property may be as high as $2,000.

But the clause to which I take the greatest exception is the one which provides that on the death of the pensioner his home or his estate shall be sold, and the total amount of the pension plus five per cent compounded annually, shall be taken out and placed to the credit of the pension authority, in this case the government. Five per cent compounded annually! The minister will find that is a greater rate than many of the loan companies charge.

In the proposed legislation we are asked to set aside certain sums to be paid out of this pension to a certain class of people. Before the session closes we shall be called upon to vote from the revenue of this country over $38,000,000 under the heading of pensions. It is true that of this amount something over $37,000,000 may be termed war pensions, and that over $1,000,000 is to provide pensions to other classes authorized by statute. I take no exception to the granting of these pensions. No doubt they are given in recognition of service rendered or of sacrifices made. But the same claim holds good in the case of the very class that we are concerned with to-day —the old people of our land who suffered hardships and made many sacrifices in carrying on the pioneer work of this country. They have passed through the earning period of their lives, and through misfortune are in need of assistance. That assistance should come from the state, and I believe the pension is the proper form it should take. But does the Minister of Labour think that this paltry $20 a month would take care of an aged person who is without a home, who has no income, who is in fact destitute? Is this pension intended to supply all the necessaries of life, such as rent, fuel, food and a few comforts? I think not. The provinces will be called upon to look after the majority of these cases in their institutions as they have in the past. I do agree however that this small amount will greatly assist, particularly in cases where the recipient has a home and a small income.

Now I come back to paragraph 8 of the resolution dealing with the recovery of pension payments out of a deceased pensioner's estate. Is there such a condition enforced in the case of the pensioner who will benefit from the vote of $38,000,000 to which I have already referred, which will stand as a charge against the estates of these pensioners? No, there is not, I do not think anyone would wish that there should be such a provision, although no doubt in a large number of cases the recipients have comfortable homes and in many cases fairly large incomes. Why then should the pension in this case stand as a first mortgage against the class that we are considering to-day? This clause really changes the pension into a loan, and I would strongly urge the minister to consider cutting the paragraph out. Or if he insists on leaving it in, let him apply the words which he himself used the other day and change the title of this bill to "Old Age Loan Bill". Because the clause in question makes the pension a loan secured by a first mortgage bearing a rate of five per cent compounded annually.

Mr. HEENAN: Supposing the aged father or mother should have a son who is fairly well off but refuses to take care of the parent, and the pension authority was called upon to award a pension of $240. If the aged people had their own home the pension authority would never ask them to leave their home, but when they died does my hon. friend think that their property or estate should go to that son?

Mr. BARBER: No.

Mr. HEENAN: The clause is intended to meet a case of that character.

Mr. BARBER: I understand that in this province, as well as in the province of Nova Scotia, the provincial statutes make the sons or daughters responsible for the care of the aged parents.

Mr. LADNER: In British Columbia also.

Mr. BARBER: I should like to answer that question in this way: Suppose that an old man, one of our early pioneers, who is past the earning period of his life has been able to save sufficient to secure a little home and garden for himself, but feels that he should have some assistance, and in fact is in need of it. Under this legislation you say to that man, "We will give you a pension but it will be only in the form of a mortgage on your home". That old man would consider such a restriction very unfair. As a citizen he should have the privilege of doing what he likes with his home; it is not likely that he would leave it to the son who has refused to come to his assistance although he might bequeath it to an institution or to some per-

son who was in need. Such a provision is very inadvisable. As I said before it changes this measure from a pension bill to a loan bill.

Mr. HEENAN: I point out to my hon. friend that subsection 3 of section 9 will meet such a case as he has described.

Mr. BARBER: I do not think it covers it exactly.

Mr. HEENAN: It is intended to cover it.

Mr. BARBER: I think the minister will find that it does not meet such a case. I assure my hon. friend that I am offering these remarks in a kindly spirit.

Mr. HEENAN: I am sure of that.

Mr. BARBER: I am prepared to give the minister all the support possible, but I hope he will consider the suggestions I have made so that when we are considering the bill in committee of the whole he will be prepared to make amendments in the direction indicated.

Mr. WOODSWORTH: We labour representatives have all along been in favour of a federal measure. That was shown very clearly two years ago when my colleague Mr. Irvine, proposed an amendment to that effect. However, as the government undertook last year to introduce a measure along the lines recommended by the parliamentary committee of three years ago, we felt that the best thing we could do was to support the measure then introduced and endeavour to make as great a success of it as possible. At that time it was not apparent that any of the provinces were in favour of this or any other old age pension scheme. It was not clear that the members of the House were in favour of any old age pension scheme. In the vote to which I referred just now the older parties had united in opposing a federal scheme. Therefore we felt that the only thing to do was to take a half loaf, and we hoped that this scheme would produce at least some good and that, once it was placed on the statute books, it might ultimately be amended so as to bring it more in harmony with our ideals.

I can see some advantages in having the provinces administer the act. In that way there will be in the administration a certain check which might not be present if the machinery were handled directly from Ottawa. Nearly all the provinces have already administrative machinery which might be utilized for this purpose, and therefore it would not be necessary to set up duplicate machinery. On the other hand, I think that in principle men or women ought to be

eligible for this pension, not merely because they happen to be living in a particular province which has adopted the scheme, but because they are citizens of Canada.

I would, however, suggest that if the federal government has finally decided upon a co-operative scheme, it should be willing to grant say 75 per cent of the amount. That is frankly a compromise, but it is a compromise that would add greatly to the efficacy of the bill. I am afraid that if the bill is put through in this form, it may not be operative in all the provinces. Since we had the discussion in this House last year, I had an opportunity of meeting citizens of nearly all the provinces from the Atlantic to the Pacific, and I found that in the east, especially down in the maritime provinces, it was very doubtful if the provinces would adopt the scheme if it were put on a fifty-fifty basis. We are anxious to have a scheme that will be operative, that will be effective, and I would suggest that we would ensure that much more effectively if the Dominion government could see its way to give 75 per cent of the amount As the House knows, we private members are precluded from bringing in an amendment along that line, but we would earnestly press this action upon the government. The government is quite safe. The official opposition has already expressed itself as favourable to a federal scheme, but as prepared to support some such scheme as this if it is impossible to put through a federal scheme.

There is no measure which has received such popular support across the country as has the old age pension scheme. In almost every province it was one of the foremost subjects for discussion in the recent election. Even away down in the east, in Nova Scotia, where I say that it may be difficult to put the scheme into operation, I was told by the editor of one of the leading Conservative newspapers that undoubtedly this was the most important election issue in that province. Under these circumstances the government ought to feel justified in going a great deal further than it did a year ago.

The situation has altogether changed within the past year. Sometimes if we re-introduce the old measure, we are going as far as we did last year. Sometimes when the situation is altogether changed, a re-introduction of the identical measure is by no means as venturesome a proposal as was that of a year ago. Hon. members will remember that in Through a Looking Glass the queen is made to say to Alice: "Now, here, you see, it takes all the running you can do to keep in the same place." I am suggesting that if the government wants to maintain the same

place before the public that it occupied when it introduced this measure a year ago, it ought very distinctly to improve the measure.

I should like to endorse a great deal that has been said by my hon. friend (Mr. Barber) with regard to the various particulars in the bill. I believe the age ought to be lowered. Especially in industry among the people who will most need these pensions, a man is not worth very much by the time he passes the age of forty or forty-five. That is a most lamentable state of affairs, but none the less it is true that in a large number of industries when a man gets beyond the age of forty or forty-five, younger men are preferred and he often finds it difficult to hold his accustomed job. Long before he reaches the age of seventy he is a burden upon himself or upon the community. As we know, under modern conditions when men shift about necessarily from job to job there is no sense of responsibility on the part of the individual employer. There perhaps have been a dozen or twenty or fifty employers in the course of a man's life, so that no one employer feels really responsible when the man reaches the age of seventy years. Under those conditions of modern industry it seems only right that the state should assume its share of responsibility.

Again I would suggest that a larger amount should be granted, but more particularly a larger sum should be permitted as outside income which a man may receive without his being disqualified to receive a pension. If a man is capable of doing a little work on the side, he ought to be able to do work to the extent of more than $125 a year or to have property that would bring him in an income of more than $125 a year without being disqualified from receiving a pension of this character. I compare the treatment that we are meting out to these pensioners with that which we mete out to our higher public officials. I think of those to whom the hon. member for Frontenac-Addington (Mr. Edwards) referred a year ago, namely our judges and many of that type who are receiving large incomes from private sources and who yet are not debarred from receiving large pensions from the public treasury. There ought to be something like equality in dealing with matters of this kind.

Further, a particular modification which might readily be made by the Minister of Labour is that if a man has been living in his younger days in a province in which the pension is operative and has moved to a province in which it is not operative, he ought to be able to draw at least the government portion for the whole of his time. I do not see why if he moves from one province to another the entire 50 per cent that should be paid by the government should be cut off, but wherever he is living, whether or not the province has been donating to this fund, he should not receive the entire federal contribution. I think that is an eminently fair amendment which could very readily be made, and will be quite in keeping with the whole tenor of the bill.

There is another matter upon which I should very much like to have an expression from the minister, and that is with regard to the possible revision of this bill. We have been told that once we get it on the statute books, it will be quite possible to make revisions later, possibly in the way of granting a larger amount or some amendment of that sort. It does seem to me however that this bill is something in the nature of a contract between the Dominion government and the provinces, and I would like to be sure—I hope the minister will make this very clear—that the bill can be readily modified even if all the provinces are not in favour of such a modification. We ought not to enter into any permanent arrangements in a matter of this kind, but rather leave the way open so that without any great amount of red tape we might bring in such modifications as time shows to be desirable.

In conclusion, I would repeat that it seems to me that if the government is sincere in hoping for the success of this bill, and I have no reason whatever to believe they are not, they would seriously consider the giving of a much larger proportion by the federal treasury than is now provided for.

Mr. HEENAN: As the Governor General is to be here at five o'clock to give royal assent to certain bills, I move that the committee rise to sit again this day.

Progress reported.

ROYAL ASSENT

SUSPENSION OF SITTING

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

Ottawa, February 18, 1926.

Sir,—I have the honour to inform you that the Right Hon. F. A. Anglin, acting as Deputy of His Excellency the Governor General, will proceed to the Senate chamber this afternoon at five o'clock for the purpose of giving the royal assent to certain bills.

I have the honour to be, Sir,

Your obedient servant,

JAMES F. CROWDY,

Acting Secretary to the Governor General.

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

A message was delivered by Major A. R. Thompson, Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, His Honour, the Deputy of His Excellency the Governor General, desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

Accordingly, the House went up to the Senate.

And having returned,—

Mr. SPEAKER informed the House that the Deputy of His Excellency the Governor General had been pleased to give in His Majesty's name the royal assent to the following bills:

An Act to amend The Special War Revenue Act, 1915.

An Act respecting the Grand Trunk Pacific Railway Company and respecting Canadian National Railways.

An Act to incorporate a National Committee for the celebration of the Diamond Jubilee of Confederation.

An Act for the granting of assistance to the Royal Agricultural Winter Fair Association of Canada at Toronto, Ontario.

An Act to provide for a loan to the Harbour Commissioners of Montreal.

An Act for granting to His Majesty certain sums of money for the public service of the financial years ending respectively the 31st March, 1926, and the 31st March, 1927.

An Act for granting to His Majesty a certain sum of money for the public service of the financial year ending the 31st March, 1927.

OLD AGE PENSIONS

The House resumed in committee consideration of the resolution respecting old age pensions, Mr. Johnston in the chair.

Mr. LADNER: I rise to make some observations on the provisions of this bill, in the spirit of constructive suggestion, which have come to me as a result of the last general election. It is well known that the old age pension bill was an important concern, if not the chief concern, of the masses of the people during the recent general election. All kinds of arguments and suggestions were presented; sometimes not very fair criticisms were made by each side one against the other, and in some constituencies some of the most worthy and excellent members of the government were very nearly defeated on account of the provisions of the old age pension bill, and it is those provisions which I now seek to correct if the minister will listen to suggestions. Section 2 of the resolution deals with the question of the agreement in force between the federal and provincial governments, and states that the agreement shall remain in force so long as the provincial statute remains in operation, or until after the expiration of ten years from the date upon which notice of an intention to determine the agreement is given by the Governor General to the Lieutenant-Governor of the province with which the same was made. I make the suggestion that there is an uncertainty in that provision which is not necessary. It means that, through political conditions or political manoeuvres, it is possible that some province may undertake to enter into an agreement on which the people entitled to receive old age pensions will depend, and they may depend that it will remain in force for a number of years, and yet that province, perhaps after some election, can terminate that measure immediately without notice. It would be just as easy for the minister or the government to provide in this measure for notice on the part of the province as they have provided for notice on the part of the federal government. The federal government are required to give ten years' notice from which date a notice to terminate the agreement is made. My suggestion is that there should be twenty years' notice provided for on the part of both the provincial and the federal government. The reason why I make this suggestion is this. A man of seventy who has been receiving his pension has after ten years come to rely upon that pension, and at the age of eighty having made no other provision, the ordinary charitable or benevolent institutions having become less or gone out of existence, through the political manoeuvres or machinations of some government that man may find himself without a pension. I think if the principle of old age pension is to be adopted in Canada it should be made certain and definite, not only so far as governments are concerned, but so far as beneficiaries are concerned.

My first point is that if definite notice of a term of years on the part of the Dominion government be necessary, it should also be necessary so far as the province is concerned, and I make the suggestion that twenty years' notice should be required under the terms of the agreement entered into between the province and the Dominion. I have before me the bill which has been recently presented to the legislature of British Columbia, Bill No. 12, an act to provide for old age pensions. Clause 2 deals with the question of the agreement with the Dominion and I ask the minister to note it, because it affects the other provinces, British Columbia being the first province to enter into this arrangement. That clause reads:

The Lieutenant Governor in Council may enter into an agreement with the Governor Gen-

eral in Council as to a general scheme of old age pensions in the province pursuant to the provisions of any act of the Dominion heretofore or hereafter passed relating to old age pensions—

Mr. IRVINE: What is the hon. member reading from?

Mr. LADNER: From the bill recently presented to, and I presume now before, the legislature of British Columbia, and the point is that the essential feature of the bill is the authority of the Lieutenant Governor in Council to enter into agreement with the Governor General in Council under the terms provided by the legislation. Let the federal parliament take advantage of this recommendation and make their terms. Let them stipulate for ten years' notice and make it a part of the agreement. It will necessarily be a part of the provincial statute. The next point I make is with reference to clause 5 of the resolution, and I direct the minister's attention to the absence of the subsection between (e) and (f) which formerly existed in the bill. I refer to Bill No. 21 which passed the House of Commons 28th May, 1926. That bill, clause 8, subsection 1 (f), provided that a person would be entitled to a pension if he were not in receipt of an income of as much as $365 a year. In the resolution before the House that clause is omitted, and I would ask the minister if I may, at this stage, the reason why that clause is left out, because without that clause a person with an income of $25,000 a year may ask for old age pension.

Mr. HEENAN: The resolution does not contain all the provisions of the bill. There are, I think, about eleven clauses in the resolution whereas there are about twenty clauses in the bill.

Mr. LADNER: As regards that item the resolution is specific; there are the subsections from (a) to (f) which are precisely in the words of the previous bill. This is something that will form an important feature of the bill.

Mr. HEENAN: It is contained in the bill.

Mr. LADNER: That is all right, then. Subsection (a) of section 5 provides for the payment of a pension to any person who is a British subject or, being a widow, was such before her marriage. The Minister of Health (Mr. King, Kootenay) and I had a considerable discussion on that point. He charged me in the province of British Columbia with not having frankly stated the matter to the people. In the case of a woman married to an alien who has become naturalized, I suggest that if the alien is from a country where there is dual nationality—that is to say, where a person retains the citizenship of his country of origin even though he may have become naturalized in Canada, for example—it is possible that such a woman if she became a widow might not be entitled to any pension, notwithstanding that the act might intend her to have one. The minister should consult the Department of Justice on that question with respect to people from countries with dual nationality. Under international law a serious point might arise in that connection. I have not gone deeply into that particular phase of the matter, but I believe that there is some danger in that direction.

Another important feature of the bill has reference to the age at which people are to become entitled to pensions. The bill categorically fixes the age at seventy. I strongly impress upon the minister the fact that if the spirit of the legislation is observed it will not be possible to determine eligibility for pension merely by a consideration of the number of years a person has lived, for many people are old at sixty—much older than others who have actually lived seventy years. The proposed method of determining when the pension should be payable is not a sound one. I suggest that it might be advisable to fix an arbitrary age at seventy and allow the pension authorities some discretion to determine whether in particular cases people at the age of sixty or sixty-five, by reason of physical infirmities or because of other conditions that justify it, should be entitled to consideration. I do not know any other practical method of meeting this difficulty. If you fix upon the age of seventy arbitrarily, you rule out many thousands of aged and worthy people who ought to receive pensions because of ill health after a long life of hard work. In Australia where the age limit is sixty-five—I ask the minister to note this particularly—ninety per cent of those in receipt of pensions would get nothing if the limit were fixed at seventy. This shows the far-reaching effect of the principle I am pointing out. To fix an arbitrary limit of seventy virtually rules out ninety per cent of the people who, in my opinion, should be given pensions. In Australia, it is said, of 105,000 persons receiving pensions a little over ninety per cent are under seventy; and in New Zealand the limit is fixed much lower. Australia has a smaller population than ours.

My hon. friend (Mr. Woodsworth) has discussed the question of removal from one province to another. The legislation as

it stands does present a handicap to any pensioner moving from one locality to another in the Dominion. Suppose the pensioner lives in Saskatchewan, a healthy place to live in. For good reasons the doctor may order him to go to a milder province like British Columbia. And because of that removal the pensioner's allowance is cut down. This is wrong in principle, and this very fact constitutes an argument in favour of a federal scheme. In my opinion, to have a really workable pension system in Canada it must be federal in its scope, because many of the provinces will never come in, and those that do will be faced with such restrictions as will make it difficult for pensioners to get the benefit of the legislation. I have already spoken with regard to the question of income.

Mr. HEENAN: The hon. member misinterprets the provision. Section 4 provides that any pensioner removing to another province with which no agreement under the act is in force shall continue to be paid the pension by the province in which it was granted.

Mr. LADNER: I refer to the section relative to a transfer of residence as between two provinces both of which are in the scheme.

Mr. HEAPS: If a person at the age of sixty-five moves from Saskatchewan to British Columbia, say, having no claim in British Columbia but one in Saskatchewan, that person loses a part of his pension, as I understand the bill.

Mr. HEENAN: Yes.

Mr. LADNER: I want to direct the attention of the minister to what I consider a fatal defect in the proposed legislation, and that is the virtual confiscation of property belonging to the aged. A discussion took place a short time ago between my hon. friend (Mr. Barber) and the minister on that point, and although the minister may not officially admit it I am sure he knows from his contact with people that if there is one objectionable feature to the old age pensions bill which strikes the average person with a sense of revulsion it is the provision that thrifty people who have worked hard during their lives and put by a little money in order to buy a home, may be faced with the prospect that after their death some dependent, for whom they have provided what little they can, will be deprived of the benefit of their economy. They may have saved up money to provide the means of education and under this legislation the pension authorities can levy out of the property the amount of the pension paid, plus five per cent interest per annum, compounded. I heard the minister's suggestion of the wealthy son or daughter who was unwilling to assist the old folks, and who finally inherited property from the deceased pensioner. It is conceivable that such cases may arise, but the other class of cases will also occur. You may have an aged lady looking after a granddaughter whose future education she may have in view; she may be anxious to send that girl to high school or to normal school or to have her educated in some other way. The old lady dies and the government steps in and says. "We will take the property and the child can go to the orphans' home." Surely it is within the resources of the minister to find something more just under the circumstances. In Australia they allow a maximum amount of property of $2,000. That is one method of getting over it. It could be suggested that if the property is going to people in affluent circumstances who, having a duty to look after their parents have failed to do so, the state would then have priority, but to pass a clause of this kind which confiscates the property under all circumstances, or practically all circumstances, is unjust, inequitable and unnecessary.

Mr. HEENAN: I assume the hon. member to be familiar with the bill we had last year, which says:

> ...no claim shall be made by a pension authority for the recovery of such debt directly or indirectly out of any part of the pensioner's estate which passes by will or on an intestacy to any other pensioner or to any person who has, since the grant of such pension or for the last three years during which such pension has continued to be paid, regularly contributed to the support of the pensioner by the payment of money or otherwise to an extent which, having regard to the means of the person so having contributed, is considered by the pension authority to be reasonable.

In other words, if someone has contributed to the upkeep of this pensioner, the government has no claim whatever.

Mr. LADNER: But that does not cover the point I am making. That section only says that a person who has assumed the duty of the state—

Mr. HEENAN: No.

Mr. LADNER: That is what it means, a person who has assisted the old people; to such a person the state says "We will not come in and take the money; we will let you get your money back first and then we will take ours." That is not the point I am making. No government would suggest that if the old people wanted to pay back a son or daughter who had given money in place of the pension, the government should have

any priority. I am dealing with the case where an old couple or an old person may have a home worth $2,000, which they desire to leave to some grandchild who may be an infant. Under this provision the pension authorities would step in and take that home to the extent that a pension had been given to the old person. That is quite a different situation, if the minister appreciates my point.

Mr. HEENAN: I would like to ask my hon. friend a question. The purpose of the act is not to give anything to those who have some property now, but to give something to those who are almost destitute. If we have no pension plan such as this in operation, those relatives of the aged people will have to contribute, will they not? If that is so, and we relieve them of that burden, is it not fair that the pension authorities, or in other words the taxpayers of the country, should get back that money spent in relieving the relatives of their duty?

Mr. LADNER: As the act is drafted it covers a number of cases which would carry out the purpose of the government and be fair; but it also covers a number of cases which would be very unfair. You would put a premium on extravagance; you would tell the old people of Canada that it is no use to save so long as this statute is in effect. They will get a pension anyway, and they might as well spend their money on automobiles because after a while that money will be taken by the state. So I say the principle underlying that clause is fallacious and unsound, it does not encourage thrift; it is not to the advantage of the pensioner or the immediate relatives of the pensioner and is not of particular value to the state. I would suggest that an exemption similar to that in force in Australia be included, which would allow the old people to have property up to a certain amount. You can make provision that dependents having a natural duty or even a legal duty to provide for their parents and failing to do so could be deprived of sharing in the property.

There is another situation which arises just at that point. Ontario and Quebec pay eighty per cent of the taxes of Canada. Supposing these two provinces do not accept this pension bill, while the western provinces and the more eastern provinces adopt it. Ontario and Quebec have homes for old people, as well as all kinds of charitable and benevolent institutions to relieve the needy. If this bill goes into effect and these two provinces refuse to accept it, they will then be in the position of paying eighty per cent of all the money contributed by the Dominion government to the other provinces, and in addition they will be paying for the maintenance of the old people of their own provinces. That is a fact which is very clear. What will be the consequence? When this legislation is presented to these provinces it is unlikely that they will accept it, and I do not see anything in this bill which makes provision enabling the province of Quebec, let us say, or the province of Ontario to take their share of this old age pension money and apply it to the institutions already in existence. They are now taking care of their aged in a scientific manner, and they may say they want to turn the money over to these institutions. Is there any provision by which such an arrangement might be made?

Mr. HEENAN: There is no such provision in this bill, which is identical with the bill we passed last session. I might also say that the government is trying to get the principle of old age pensions established and then they can see what amendments are necessary later on.

Mr. LADNER: Why not find out now, while we are preparing the legislation?

Mr. HEENAN: There are a lot of things we do not know yet.

Mr. McGIBBON: When this bill went through the House last year, in common with many others on this side of the House I advocated a federal measure. We do not need to rehearse our criticisms, but we said the bill was no good because it was unworkable, and so far I do not think we have changed our minds. But I have a suggestion which the minister might consider. My suggestion is that the federal government might bring in a succession duty tax which would probably make up the fifty per cent which the provinces should pay, and that would enable us to make it a strictly federal measure. I understand that we would be invading a provincial field of taxation there, but since we are assuming provincial burdens I think it would be fair and in addition to that this parliament would have absolute control over the pensions. I think that idea is workable, because the Dominion government could invade the provincial field of taxation in view of its assuming the fifty per cent obligation which the provinces would otherwise have to carry. If you adopt this suggestion you will make the proposed bill workable; I do not think it is workable as now contemplated.

Mr. CANNON: What would be the effect of putting my hon. friend's suggestion into force, in view of the existing succession duties levied by the different provinces?

Mr. HANSON: Confiscation.

Mr. McGIBBON: You could not put on an additional tax.

Mr. CANNON: That would be in addition to the existing provincial tax.

Mr. McGIBBON: For instance, in Ontario to-day, if I understand correctly, these succession duties are applied to educational purposes. It would be a much fairer thing to tax the estates of the dead and apply the proceeds of that tax towards paying pensions to the aged and infirm. I do not think the provinces would have any real moral objection to our doing that if we assume their fifty per cent share of old age pensions. The effect would be to consolidate the existing legislation and make this law really workable.

Mr. CANNON: Then in addition to the existing provincial succession duties, there would be a duty levied by the federal government under my hon. friend's proposition?

Mr. LADNER: I do not want to get too far away from the main points I am endeavouring to present to the minister and which if not properly met will, I fear, be the undoing of this measure. In common with all other hon. members here I am desirous that an old age pension bill be passed. I wish not only that the bill should be passed but that it should become operative, and above all things that the people who are entitled to receive an old age pension should get their cheques. I made the prediction a year ago, and also two years ago, that under this measure the old folks of this country will not get their cheques. I repeat that prediction now. There are too many impracticable provisions in the proposed bill to permit of that being done. The outstanding one is the one I mentioned to the minister a moment ago.

Mr. ELLIOTT: Does my hon. friend refer to the provision transferring or taking the property of the aged pensioner?

Mr. LADNER: That is one of them.

Mr. ELLIOTT: May I just call my hon. friend's attention, while he has his mind on that subject, to the fact that the provision in this bill is nearly identical with the provision which has prevailed for many years in Ontario with regard to indigents in houses of refuge? In that province if an indigent admitted to a house of refuge had any property, it was thought to be only fair such property should be available for the county houses of refuge. There was power vested in the county court judge, if the indigent objected to transferring the property, make the transfer to the county in trust for him, and if anything was left after meeting the cost of the indigent's maintenance in the institution the residue was to go to his estate. The county held that property in trust and the provision under which that procedure was adopted is, as nearly as possible the provision contained in the bill we propose to pass here. That is to say, if you are going to grant a pension to an aged person, his heirs, when they are making no provision for him, should not be permitted to receive the pensioner's property after his death.

Mr. LADNER: The minister will note that in the case he has outlined the province provides the building in which the indigent person is housed, and everything else necessary for his care, but in the case of a pensioner under the scheme we are now considering there is nothing of that nature. A grant of money is supposed to be made to aged persons who use that money to maintain homes for themselves. The two sets of conditions are entirely different. In Australia they have adopted the principle of granting exemption to the pensioners. However, the point I have just been discussing is only one point. There are quite a number of points involved here. There is, for instance, the age provision. then there is the question of the transfer of a pensioner from one province to another. But above all there is this question and to this I should like to direct the attention of the minister: How is he going to meet the situation of these two great provinces of Ontario and Quebec, which now pay eighty per cent of the taxation of this country and have institutions in which hundreds of thousands of dollars are invested for the maintenance and care of their old folks? What will happen to these institutions? In Quebec for example how are you going to distinguish between aged persons in these institutions and other aged persons outside? Would it not be better if the federal and provincial authorities united in the common purpose of looking after old people, and utilized their joint forces towards that end? What will happen to the homes which are maintained by the provinces at the present time if they accept the old age pensions scheme? Would the minister entertain granting any concession by way of allowance to these governments to the extent of the responsibility involved by their maintaining indigent people in these homes?

Mr. ROBB: We have had a very interesting and instructive discussion on the resolution. Perhaps hon. gentlemen will permit us to make progress with it in order that the Min-

ister of Labour will have an opportunity of introducing his bill. When the bill goes into committee it can be considered in detail.

Some hon. MEMBERS: No.

Mr. HANSON: May I ask the minister a question. I was not here when the resolution was discussed the other day and I should like to ask him—

Mr. HEENAN: Just a moment. If the hon. gentleman will permit me I should like to reply to the question asked by the hon. member for Vancouver South (Mr. Ladner). In the regulations pertaining to the bill it will be possible to provide for contributing towards the support of a person in a hospital or in a home.

Mr. LADNER: Can you provide for making a contribution to the government which is paying for the maintenance of these persons?

Mr. HEENAN: The question of contributing towards the maintenance of a person in a home can be provided for by regulation after a conference with the particular province concerned as to how this should be done. I think hon. members might accede to the request of the Minister of Finance and pass the resolution in order that the bill might be introduced. There will be ample opportunity for discussion when the bill is in committee.

Mr. LADNER: There are very few suggestions of the Minister of Finance I would not readily accept, especially in view of the budget he brought down yesterday, but before a bill is introduced the principles on which it is based must be considered. That is the time for making practical suggestions as to the proposed legislation in order that it may contain whatever ideas can be gathered from the collective wisdom of hon. members. That is why, in my judgment, discussion of the resolution is preferable. However, I have covered the points which I rose to make and may I say this in conclusion: The suggestions I have advanced are those about which very considerable discussion took place during the recent general election, and from the response of the audiences which I addressed it was clear to me that the average person throughout the country would like to see corrections made in the proposed pensions measure along the lines I have mentioned, especially with regard to the age at which persons should receive a pension, and in connection with this matter of old persons cared for in homes. I ask the minister to give the most serious consideration to the suggestions and to embody some if not all of them in the bill which he proposes to introduce.

Mr. PETTIT: I am in favour of the principle of the proposed bill, but I rather concur in the remarks of my leader and of other hon. members on this side in favour of a federal scheme rather than the scheme outlined in the resolution. I do so because I see in this scheme delay and possible and very probable non-concurrence on the part of some of the provinces to the scheme, and in the future possible withdrawal of some of the provinces from the scheme, and consequent inequality and injustice, whereas I see in the federal scheme a scheme that will be administered by one body and that will therefore be much more simply and less expensively administered. I would put the age at sixty-five instead of seventy; I would raise the amount from $240 to $300, and I would make the maximum pension payable subject to reduction by the amount of the income of the pensioner in excess of $150 instead of $125 a year. I would also reduce the time limit in paragraph (d) to three years instead of five. I appreciate the fact that owing to the financial situation of the country that is a matter which can probably be dealt with much better in the future when our circumstances will permit, and that this is perhaps a good start. I therefore urge upon the government as strongly and emphatically as I possibly can in my humble capacity as a member, to change their minds, to drop the scheme as outlined in the resolution, and to bring in a bill providing for a federal scheme along the line that we on this side feel and so earnestly desire should be the measure put into effect.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. ESLING: Mr. Chairman, the hon. minister has told us that this is precisely the same bill as that brought down last session, and therefore the House and the country at large ought to be familiar with its provisions. Almost every hon. member who has spoken today has pointed out some objectionable feature in the bill, and it seems to me that if this measure is to be presented to the various provinces for acceptance, now is the time and this is the place to remedy these objections, instead of batting the question backwards and forwards between the provincial governments and Ottawa in an effort to arrive at a measure that will be acceptable to all.

I think that neither the customs scandal nor the tariff nor any other issue in the last cam-

paign received quite so much prominence as did this old age pension measure. It was a subject of discussion on practically every platform, and I expressed my strongest sympathy at that time, as I do now, with any measure for the relief of the aged. I do think, however, that there might be added to those who are to be benefited, the blind, and those who are crippled beyond the possibility of earning a livelihood. It seems to me that if there is one thing to commend this bill at all, it is merely that it paves the way to improved legislation. We might as well keep pace with the sister dominions in enacting an age limit of, say, 65 instead of 70, and most assuredly I think it would not be unreasonable for us to provide that ex-service men should come in at the age of 60. That has been a general request from the various local branches of the Canadian legion throughout Canada. I think that even the government will admit that this bill can be improved upon, and that now is the time and this is the place to do it, because if the provincial governments are to make amendments it will simply mean that the measure must come back to Ottawa, and its operation will be delayed for a full year.

I regret to say that in my district, as in other portions of British Columbia, practically every Liberal speaker took the opportunity to prejudice public opinion against Conservative candidates by the absolute assertion that the Conservative members at Ottawa had opposed this measure. In British Columbia the hon. Minister of Health in the federal cabinet was heralded as the father of the old age pensions bill. I presume, now that the Minister of Labour has the bill in hand, he will be acclaimed as its stepfather. However, neither of them can take very much pride in their offspring. The Minister of Health was in charge of the campaign in British Columbia, and I think that he too must answer for some rather gross misrepresentations concerning this measure, because I happen to have here a full page advertisement published by the hon. minister, or at least by his committee, in which his picture appears and in which he tells the people that "the old age pension bill provides $480 a year for the rest of their lives." That is what the Minister of Health, who I believe is also in charge of the Department of Soldiers' Civil Re-establishment, tells the people in this Cranbrook paper, his home paper—that the old age pension bill carries with it an annuity of $480.

Mr. KING (Kootenay): So that there will be no misunderstanding, if my hon. friend will read the advertisement he will find that an aged couple who had not means and were entitled to come under the act would receive under its provisions $480.

Mr. ESLING: The advertisement says in plain English that the Liberal pension bill "provides $480 for the rest of their lives."

Mr. KING (Kootenay): For an aged couple.

Mr. ESLING: Into West Kootenay the hon. minister brought from the city of Vancouver a breezy Liberal candidate by the name of Gale, who deliberately stated from the platform that his Conservative opponent voted against the old age pension bill. I do not charge that the hon. minister supplied this Liberal candidate with his ammunition,—I mean platform ammunition, of course, but the fact remains that he travelled with him, spoke from the same platform and assisted in his campaign, and never once did the hon, minister see fit to say that the statements made by his candidate were not correct. He was perfectly willing to let the public receive a wrong impression and allow his candidate to go to any extent in order to win that election. As I say, the minister was in charge of the campaign in British Columbia, and when the smoke of battle cleared away he was able to come back to his leader at Ottawa and say: "Behold, chief, I went into battle in British Columbia with ten Conservatives, and I have brought you back twelve. And I almost missed the train myself." ,So that when you consider the debilitated condition of the Liberal ranks in British Columbia it is not to be wondered that the Prime Minister saw fit to give to that province a Minister of Health. While we are at this stage it is rather peculiar to note the changed conditions, or the change of opinion, on the part of the government in connection with these ministers. I think it was last session that the Prime Minister made a statement, of course, from political expediency, that he was going to reduce the number of portfolios; and on page 1400 of Hansard he stated that the portfolios of soldiers' civil re-establishment and public health would be combined with some other department; in other words, that it was not of much importance and he would practically do away with it. Now the difficulty is that they cannot find enough portfolios to go round, and so they are creating still others.

All I have to say in connection with the old age pension bill, which was a matter of much discussion in West Kootenay district, is that if the ton of money spent by the fourteen Liberals in endeavouring to secure their own election had come out of their own pockets, they would have been so financially

finished that they would be the first fourteen applicants for the old age pension. If we are going to be in earnest in this thing, why not improve the measure now? What is the use of fooling the people any more? Hon. members all know that this is the most important piece of legislation that came down in 1926, and yet the government did not see fit even to mention it in the speech from the throne. It was brought down simply as a matter of expediency, and if we are going to do the right thing, why not do it now and give the people the bill they want? This matter is going back to the provincial legislatures for consideration, and if the government does not act on the constructive suggestions offered by many members this afternoon there is only one conclusion the public can draw, and that is that in reality the government does not want the various provinces to bring this measure into operation. There is no other way out of it.

I desire to refer to two or three clauses in the bill brought down during last session. The alleged father of this bill, as I say, now fills the portfolio of soldiers' civil re-establishment, and it was rather pathetic, on the eve of his by-election, when he went to two or three places in British Columbia, gathered round him the local branches of the Canadian legion, and told these men how solicitous he was about their welfare, how anxious he was to learn their problems and how sympathetic he was with all their purposes. Now, for instance, they ask for a sixty-year age limit. That was the unanimous request from the local branches, and I want to ask the hon. minister if during last session he, at any time, raised his voice on behalf of the ex-service men about whom he seemed to be so solicitous. If he did not, now is his opportunity. He can remedy the difficulty when the bill comes up, and I propose to see that he makes himself heard on that one phase of it. In the old bill, paragraph 1 of clause 9 provides an old age pension of $240 a year. It also provides that the maximum income of a pensioner from all sources, including the old age pension, shall be $365, notwithstanding the fact that the hon. minister gives the impression it would be $480. However we will assume that this pensioner may be an ex-service man. He may be receiving a war pension of $20 per month or $240 per year. That with the old age pension will amount to $480, and the various local branches of the legion ask that that war pension be not considered in figuring the total income of $365. They asked for that before. They asked for it while this bill was being discussed during the 1926 session, and I want to ask the minister or any other hon. member of this House if the minister then raised his voice on behalf of the ex-service men, about whom he seems to be so solicitous.

Mr. KING (Kootenay): I think at the time the bill was under discussion last year I suggested that if there was a desire to give special treatment to returned men it should be done under a separate bill.

Mr. ESLING: No.

Mr. KING (Kootenay): The idea of mixing up an old age pension with various other matters is not sound and would not be considered by those who are giving the matter careful consideration.

Mr. ESLING: I submit there is so much mix-up in this bill that it would not do a particle of harm to exempt the ex-service men in calculating their total income. Inasmuch as the minister has not interceded on behalf of the ex-service men, particularly as he is Minister of the Department of Soldiers' Civil Re-establishment, I ask him if he will not now raise his voice in their behalf, because this is the opportunity, this is the time and the place. These men are permitted to receive a total income of $365. If they had the old age pension and their war pension, that would amount to $480, but from that would be deducted the difference between the $365 and the $480—that would be taken away from the old age pension. One hon. member this afternoon particularly referred to paragraphs 2 and 3 in section 9. It makes no difference how the hon. minister, or any other minister endeavours to construe the clause, it is plain English and means one thing; that where an aged pensioner leaves an estate of any kind on his death, that estate is taken over by the authorities and sold, and that is all there is to it. From the proceeds of that sale is deducted the amount of any pensions which he has received under this old age pension bill. The hon. member for Fraser Valley stated this afternoon that the interest is compounded at five per cent. Why the thing is almost ridiculous, and it is pathetic as well as ridiculous. You step into a home of those who perhaps are getting the benefit of the old age pension, and you take the old lady's clock, which she has heard ticking for fifty years, and her rocker, her cookstove, her lamp and everything else and sell it. It seems to me when you bring down a clause of this character you are fostering legislation for pawnbrokers, instead of enacting an old age pension bill.

Mr. KING (Kootenay): I would remind my hon. friend that he is speaking in the House of Commons; the section he is referring to will be read, and it does not purport to say what he is trying to inform the committee is the fact. It states that the property will be sold, but if any relative or other individual has reasonably contributed to the support of the aged, then the property goes to that person.

Mr. ESLING: The minister is perfectly right. But suppose no one has contributed to the support of the pensioner, not being able to do so. Does that alter the fact that every bit of household furniture will be sold?

Mr. KING (Kootenay): Whom should it go to if not to the state?

Mr. ESLING: Why not start right? The government knows that these clauses are objectionable, for they have been discussed on the public platform from one end of the country to the other. What sense therefore is there in attempting to fool the people longer? You will either give them an old age pension bill which will prove workable or you will not. If you intend to pass a bill which you can put into operation with some hope of success it is not unreasonable to ask that the government take cognizance of the suggestions that have been made.

A special committee reported on this legislation a year or two ago, suggesting a conference of premiers to determine upon some uniform measure which would be acceptable to all. As hon. members know, that conference was never held, for the reason that at the time it was proposed there was not a Conservative premier in the whole Dominion. Since that time considerable water has gone under the wheels and to-day the situation is somewhat different. Apparently it has not been deemed advisable to bring together in conference the premiers of two opposite parties, but surely it is not too late to call such a conference if the government is in earnest about passing a satisfactory old age pension bill. Such a conference could readily be convened, and the premiers could agree upon some bill which would be acceptable. The Prime Minister himself shared this view. What had he to say with reference to the report of that committee? On May 1, 1925, as will be found at page 2746 of Hansard, he said:

> It is all important that before any action is taken by the federal administration we should understand very fully and finally the attitude that the several provinces will take on this particular question.

I do not know that one could ask for anything plainer or more sensible than that, and there is no obstacle whatever in the way of calling the premiers together before the session closes, so that the public may be assured that the government is not any longer trying to fool them, but really intend to enact a workable old age pensions measure. Failing this, however, there is nothing for us to do but accept the bill as it stands. You have to admit that you are asking the provinces to contribute one-half of the amount while you are giving them no voice in the matter. The provinces must accept the bill as the government presents it to them, or forego the benefit of the federal contribution. I submit in closing that the proper thing to do would be to get the premiers together for the purpose of formulating a uniform and acceptable piece of legislation. But, as I say, if this is not forthcoming we are willing—I believe that practically every member is willing—to accept the bill which has been brought down on the principle that the half loaf is better than no bread at all.

Mr. VENIOT: I should not be doing my duty to my constituents nor to the province of New Brunswick if I allowed this matter to pass without offering a few comments upon it. I have listened attentively to the discussion which has taken place on both sides of the House, and I am somewhat surprised at the speeches delivered by our friends opposite. To-day they assume an attitude entirely different from that which they assumed, or at least which they pretended, when they went to the country, to have assumed on the floor of the House last session.

Mr. ARTHURS: What is the difference?

Mr. VENIOT: Your attitude is quite different now. It is true that our friends opposite finally voted for the bill and advocated the policy that the provinces should contribute.

Mr. ARTHURS: Not at all.

Mr. VENIOT: If my hon. friend will possess his soul in patience he will be able to present his argument when I have finished. On the hustings in New Brunswick, on the hustings in Nova Scotia, on every platform from which he spoke there, the Prime Minister of the day, the Right Hon. Arthur Meighen, laid down the principle which the government is laying down to-day in relation to this legislation.

Mr. ARTHURS: What is that?

Mr. VENIOT: I will tell my hon. friend in time if he will be patient. If our friends of the opposition desire any evidence today of the attitude of the provincial governments

towards this bill as it is now before the House, all they have to do is to put into practice the principle which the last speaker has established to-night, namely, that when a minister of the crown sits upon a public platform listening to a candidate of his propounding a question and does not contradict him, thus tacitly agreeing with what he says, then he accepts the views of that speaker. Well, the premiers of New Brunswick and Nova Scotia in the last campaign followed on many occasions the then Prime Minister of Canada, Mr. Meighen, and heard him laying down this policy that the federal government and the provincial governments should co-operate in carrying out an old age pensions scheme. They heard that proposal and did not dissent. If therefore silence gives consent, the province of New Brunswick stands and should stand ready to support this bill and contribute its share towards the amount necessary to put the measure into force.

Mr. LADNER: Is it not a fact that Mr. Meighen always took the stand that he was in favour of the principle of old age pensions, through co-operation, but only after a conference of the premiers so that a practical scheme might be worked out? Did he not say that this should be done only after the provinces had come to some mutual understanding?

Mr. VENIOT: Why should he consult the provinces if the federal authorities were to pay the whole amount involved?

Mr. LADNER: Answer my question.

Mr. VENIOT: I have answered it by asking another.

Mr. LADNER: The hon. member has made a statement with respect to what Mr. Meighen is supposed to have said. I ask him whether Mr. Meighen did not also say that there should be a conference of the premiers. Is that not correct?

Mr. VENIOT: It is quite correct. I hold the then premier's speech right here in my hand, and like the Irishman I will answer the hon. gentleman his question by putting one myself. Why does he want to co-operate with the provinces if it is not his intention to make the provinces pay a part of the money necessary to carry out this scheme?

Mr. LADNER: May I answer that question?

Mr. VENIOT: Yes; keep on interrupting.

Mr. LADNER: It was always the principle of the Conservative party that the provinces should co-operate after the conference, but we considered that the conference was necessary before co-operation could be practical, and this government will find that out before they are through.

Mr. VENIOT: There was no necessity for co-operating with the provinces if the federal authorities were to pay the whole bill, and there is where my hon. friend is wrong. But here is a speech made by his then leader, and I am surprised that those who followed him then think so little of him now that they do not adhere to the principles he laid down. In that speech he said:

> We favour old age pensions legislation. We intend to pass old age pensions legislation, but we are going to get the provinces together first.

Why get them together if the provinces are to have no interest in it? If the federal authorities are to pay the whole of the money involved in carrying out this legislation, the provinces have not a word to say about it. Now let me read a little further:

> We are going to see that we get something that will go into effect.

Some hon. MEMBERS: Hear, hear.

Mr. VENIOT: Yes; you will say that later on.

> It is the operation that must be looked after,...

Who is going to operate it? Why apply to the provinces to operate it when they do not contribute a cent and have no interest in it whatever? I read further:

> ...and we will make sure that ours will operate before we put it on the statute books. We will get the concurrence of the provinces...

In what? In the contributions, of course.

Mr. LADNER: Not necessarily.

Mr. VENIOT: My hon. friend surely does not wish us to take him seriously. I know I do not.

> We will get something practicable, something which will be acceptable to the provinces.

Some hon. MEMBERS: Hear, hear.

Mr. VENIOT: Why must it be acceptable to the provinces when they have nothing whatever to do with it under the legislation then proposed? If what my friends are now pretending is correct, they wanted the provinces not only to manage this work but to contribute their share to maintenance, as well as management, under the principles laid down in the bill. There can be no other conclusion arrived at in reading the speech of the then Prime Minister. I heard the Prime Minister of that time deal with this question in one of his speeches in my own town of Bathurst,

and he was then very emphatic in claiming that the Conservative party deserved as much credit as, if not even more credit for bringing down old age pension legislation than did the Liberal party. What credit could he claim if he were not in accordance with the Liberal party when they brought that bill before the House, for which hon. gentlemen now credit themselves with having voted?

Mr. ARTHURS: What about the Labour party?

Mr. VENIOT: If my hon. friend would do a little more labouring perhaps he would have a better idea of what is going on in connection with this bill. I would advise him to get down to labour. I claim, Mr. Chairman, that the principle of asking the Dominion government to relieve direct municipal taxation is a vicious one, because that is the prerogative of the provincial governments. It may be all right, and I can see no harm in it, for the Dominion government to come to the assistance of the provincial governments in relieving taxation, but let it be done through the provincial governments and not entirely through federal channels. What is the condition of affairs to-day so far as the municipal governments are concerned? They—not the federal government—look after the poor; they look after the maintenance of the aged poor in the different asylums established for that purpose, and the people themselves are directly taxed for their maintenance. In the maritime provinces there is not a single government which contributes anything towards the relief of municipal taxation in that line.

Mr. JONES: Prince Edward Island does.

Mr. ARTHURS: And Ontario does.

Mr. VENIOT: My hon. friend says Prince Edward Island does, but the government of Prince Edward Island does not take charge of municipal affairs, does it?

Mr. JONES: Yes, the provincial government does it all, in connection with the maintenance of the poor.

Mr. VENIOT: Then let us consider New Brunswick; I can speak more correctly of that province, and I hope my hon. friend will not be able to contradict me there. The hon. gentleman to his right (Mr. Arthurs) will correct me if I am wrong, I am sure. In New Brunswick to-day the provincial government has imposed, for the maintenance of indigents and unfortunates in the provincial asylums, direct taxation upon the people of that province, but in no way have they attempted to relieve that burden upon the people. Rather have they increased it, since under the Liberal government previous to the present government the upkeep of these unfortunates cost $2.50 per head per week, and under the present Conservative government that rate has been raised to $5 per head per week. The government of New Brunswick to-day only pays 30 cents per head per week for the maintenance and upkeep of those who are unfortunately confined in the provincial asylum. Therefore I claim it is not the prerogative of the federal authorities to relieve direct municipal taxation, and for that reason I claim that the principle laid down in this bill under which the provinces are to cooperate and contribute their just share toward the maintenance of the poor people over the age limit laid down by this bill, is proper and just.

Then there is another point. Hon. gentlemen opposite make a claim now of which I did not hear during the last election, although I do not know what took place here in the House last session. They claim now that $240 per year is not sufficient. If the person accepting that contribution or pension is not able to show that he has an income of $125 in addition, as I understand it the pension will be increased by that amount, and they will receive as much as $365.

Mr. WOODSWORTH: I would like to ask the minister if that is correct; I think not.

Mr. HEENAN: What was the question?

Mr. VENIOT: Where the recipient of a pension is unable to show that he has a total income of $365, the pension will include the exemption otherwise referred to.

Some hon. MEMBERS: No, no.

Mr. STEVENS: My hon. friend is wrong; $240 is the maximum.

Mr. HEENAN: The maximum paid by the government is $240, but there is an exemption of $125, making a total of $365.

Mr. MANION: If a man earns $125 a year, the government will graciously allow him to keep it.

Mr. VENIOT: And what would my hon. friend do if he were in power?

Mr. MANION: I would give a little more.

Mr. VENIOT: Why did he not advocate that last year when he was carrying on his election campaign?

Mr. MANION: In a moment I will tell what I advocated, if the minister will finish.

Mr. VENIOT: My hon. friend will not answer now?

Mr. MANION: Yes, I will answer. The present Minister of Labour (Mr. Heenan) during the election last year, according to reports which came to me, made the statement that I opposed the scheme of old age pensions in this House. I do not know if that report was correct, but I was told that the present minister stated that I opposed the scheme in this House.

Mr. HEENAN: I made that statement.

Mr. MANION: The minister admits that? Then I wish to say that the Minister of Labour stated what was not so, because at no time did I ever oppose an old age pension scheme.

Mr. VENIOT: That is not answering my question.

Mr. MANION: I will answer the question in a moment. The minister insisted on my getting on my feet, and I am going to answer the question in my own way. I never opposed the old age pensions scheme in the House. The minister was not in the House last year although he is accusing our party of taking a certain attitude with regard to the old age pension bill of last session.

Mr. VENIOT: Answer the question please, do not make a speech.

Mr. MANION: I have the floor and am going to answer the question in my own way.

Mr. VENIOT: You asked for the privilege of answering my question and I gave you the opportunity.

Mr. MANION: The minister insisted on my getting up, and I said I would get up when the minister sat down. I will answer his question. He has stated that the Conservative party took a certain attitude in the House last year on this question. I am going to state what attitude the Conservative party really did take.

Mr. VENIOT: The question is what my hon. friend did, not what attitude the Conservative party took.

Mr. MANION: I supported the old age pensions scheme last year.

Mr. VENIOT: That is not answering the question I asked.

Mr. MANION: I want to go a little further. The Conservative party in the House last year supported old age pensions as a body. There may have been one or two individuals who offered criticisms but that is no justification for saying they opposed the bill.

Some hon. MEMBERS: Oh, oh.

Mr. MANION: I will go further because I wish to be fair. I myself, and a number of other members, criticised the details of the bill just as we are criticising the details of the measure before us this evening. We have a perfect right, even while supporting a bill, to criticise the details. As to the attitude of the Conservative party on old age pensions at the present time, we would prefer to have a federal scheme, with the necessary grants paid out of the federal exchequer, but if we cannot get a federal scheme we are going to support this bill. That, however, does not deprive us of the opportunity of criticising some of the details of the measure, and because we offer some criticism of certain details is not to say that we are opposed to the bill itself. So I hope that the Minister of Labour will adhere to the facts in the next election better than he did in the past. I will yield the floor to the Postmaster General now.

Mr. VENIOT: I do not want my hon. friend's permission.

Mr. MANION: I accord him permission because I have the floor at the present time.

Mr. VENIOT: I understand perfectly that under the rules of the House I cannot address myself directly to hon. gentlemen but must speak to the Chair. But when my hon. friend (Mr. Manion), after all the experience he pretends to have, adopts that course I think I should be permitted to do the same.

Mr. MANION: Very well, go ahead.

Mr. VENIOT: I am glad my hon. friend has got that little speech off. He rose for the purpose of answering a single question I put to him and went on making a speech. In that way I suppose he expected to divert me from what I had in mind.

Mr. MANION: Oh, no.

Mr. VENIOT: But I am not going to be diverted.

An hon. MEMBER: Too bad.

Mr. VENIOT: It would be too bad if he could succeed in doing it. I just wish to say that the statement I made was that the Conservative party had adopted the very same attitude in my province in connection with this bill that we are adopting towards this measure.

An hon. MEMBER: They did not.

Mr. VENIOT: Well, speaking in the city of St. John, at a meeting over which the Hon. Mr. Baxter presided, the Right Hon. Arthur Meighen advocated the very same principles that are set forth in the measure that is before this House to-night. And when during that campaign it was pointed out that certain members of the Conservative party, who do not occupy seats in this chamber but are none the less identified with Conservative deliberations before the country, had voted almost in a body against this bill, the Prime Minister of the day took upon himself to explain that while that may have been true, the Conservative party in this chamber stood four-square for the very principles that are laid down in the measure we are now considering. In view of that fact I cannot understand the attitude which hon. gentlemen opposite are adopting in criticising the measure and suggesting that the federal government should bear the entire cost rather than call upon the provinces to contribute any portion of it.

Mr. LADNER: What was the attitude of the hon. gentleman's government in the legislature of New Brunswick in May, 1925?

Mr. VENIOT: In May, 1925, the government of the province of New Brunswick, which I had the honour then of leading, had before it two questions. In the first place we had a commission which investigated the question of widows' pensions, and the report was submitted to the House toward the dying hours of the session. We then had the intention of appointing a commission to look into the question of old age pensions so that we could see how far we could go in carrying that principle out as a government.

Mr. LADNER: What was the report of the first commission?

Mr. VENIOT: The report of the commission on widows' pensions was favourable.

Mr. LADNER: And the other?

Mr. VENIOT: The other commission was not appointed, and therefore there was no report. The present Conservative government never had the commission appointed; consequently we have no report upon old age pensions.

Mr. LADNER: Will the minister permit me to ask him one more question?

Mr. VENIOT: Yes, sir.

Mr. LADNER: Did he write a letter to the parliamentary committee on behalf of the government of New Brunswick from which the following is an extract:

This province is now considering the establishment of what is known as widow's pension, and we are not prepared to make any decision in the matter of an old age pension. While I do not disapprove of the old age pension, and feel that it would be a good thing, yet it would be impossible for me to commit the province to any action in this matter at the present moment.

Mr. VENIOT: That shows the attitude I took. What is the date of that letter?

Mr. LADNER: May 23rd, 1925.

Mr. VENIOT: Exactly. We were then dealing with widows' pensions, and we wanted to get through with that phase of the question first, before we undertook to deal with old age pensions. We went to the country on August 10th, 1925. Our program and policy then was the adoption of widows' allowances first, and afterwards we would deal with old age pensions.

Mr. ARTHURS: What action was taken in regard to widows' pensions?

Mr. VENIOT: The report on widows' pensions, that is to say the interim report of the commission, was submitted to the legislature later in the session, and no definite action was taken upon it. But when we went to the country a few months afterward we laid down in our platform the principle of widows' pensions.

Mr. ARTHURS: And was it carried?

Mr. VENIOT: No, I was defeated. But that was not what defeated me. Does my hon. friend want to know what it was? If so, I will tell him.

Mr. DUNNING: That is all right, tell him.

Mr. VENIOT: He does not want to know. As a new member I do not want to take up too much of the time of the committee but I felt that I should say a word or two upon this very important subject. The measure now before the committee should be adopted. I feel that the maritime provinces should recognize the principle of old age pensions, and should contribute their share towards the relief of the aged class aimed at in this legislation.

Mr. HEAPS: In listening to the discussion which has taken place this afternoon, and reading over the discussion in Hansard, I have been very pleased indeed to note the cordial manner in which the principle of old age pensions has now been accepted in all quarters of the House. It was not so last year. The bill of last year received a good many knocks, and even the principle of old age pensions received a good many knocks from different quarters of the House. I am not going to

blame anybody for changing his mind from last year or two years ago, but I think if we looked around to find out how many members of this House have changed their minds on this question in the past two years, we should find that probably seventy-five per cent of them have. However, I have no desire to hark back on what took place in the last election. If the members of this House now feel inclined to pass a scheme of old age pensions, what took place a year ago or two years ago is not of very much importance so far as I am concerned. What I am anxious about is to see that we get an old age pension measure which will become a fact, and not merely a dead letter, so far as assisting the old folk in this dominion is concerned.

The resolution before us and the bill to be based upon it is practically the same, I understand, as we had last year. I said a moment ago that I was extremely happy to note the cordial manner in which the principle of old age pensions has been accepted by the House, but I regret exceedingly that the same bill we had last year is about to be again introduced before the House of Commons. I regret it for more than one reason. But the chief reason why I regret it is that there may be provinces in the Dominion of Canada that will not accept the provisions as outlined in the bill of last year. It would be a cruel thing, Mr. Chairman, as I view it, if after what was said in the last election, after all the promises that were held out by the Liberal party and by the Conservative party, there should be old people in some of the provinces who would not be in receipt of an old age pension. I do not think there could be anything more cruel than to give the old folks of this country, the aged and the needy, the idea that they were going to receive an old age pension, and then when the bill becomes law, so far as this parliament is concerned, there should still be thousands of people in some of the provinces who would not get an old age pension. Therefore, I think our first duty, the most important duty that the House of Commons has to perform, is to see that we get enacted a bill that will meet with the acceptance and approval of all the provinces of the Dominion. I frankly admit that a bill which in its main provision provides for only a fifty per cent contribution by the federal exchequer is not going to meet with the approval of the provinces, and if I could urge anything upon the government it would be to increase that contribution from fifty to seventy-five per cent at least.

There has been a good deal said this afternoon in connection with a federal scheme of old age pensions. Nobody has outlined what is meant by a federal scheme. A federal scheme would involve federal administration, and personally I am in favour of provincial administration, because I believe that by provincial administration we are going to get more efficient administration. For that reason, because I believe in the provincial administration of such a measure, I am in favour of the provincial governments making some slight contribution, but I certainly object to this government asking the provinces to contribute at least fifty per cent, in addition to which the provinces will also have to bear the cost of administration. I believe that if my friends on the Liberal side of the House could express their feelings freely on this matter, we would have a good many hon. gentlemen sitting on the government side of the House who would be heartily in favour of a seventy-five per cent contribution from the federal exchequer to the scheme of old age pensions.

This afternoon I listened to the right hon. the Prime Minister give a rather lengthy explanation on constitutional matters, and he spoke of the supremacy of the House of Commons. I would like the membership of the House of Commons to be supreme in this question of old age pensions, and to allow a free vote of the members of this House on matters connected with the old age pensions bill. As a private member I am unable to move any amendment to this bill that will involve additional financial obligations. I could not move in this House that the contribution by the government be increased to seventy-five per cent, because that is entirely the prerogative of the government, but I would like to see the House divided on that question because I am satisfied that the preponderance of opinion in this House would be in favour of a much larger grant from the federal exchequer than is contemplated in the measure which we have now under consideration.

Only yesterday the members of this House were discussing the question of the celebration of the diamond jubilee of confederation. During the past election, and subsequently, I have received quite a large number of letters from many of the old people in this country who are looking anxiously forward to the day when the old age pension law will become a fact. These men and women who have written to me, and probably to many other members of the House, have dealt with their pioneering days in the Dominion of Canada. I believe that there could be no more fitting way to celebrate the diamond jubilee of confederation than to put on the statute books of this country a really workable old age pension

scheme that will give to the pioneers of confederation something that is worth while.

I do not think that in considering this measure the government have given proper thought to the changes which have taken place since last year. When this measure was introduced in this House a year ago there was a great deal of doubt very probably in the minds of the government, and a great deal of doubt in the minds of hon. members, as to whether the principle of old age pensions would be accepted by this House. Well, it has been accepted by this House, but we do not know as yet what is going to happen in another House. However, I believe that the Conservative party, in the criticism to which they have been subjected so far as the members of this House are concerned, have had visited upon them the sins of the Conservative members in another House, and really the party cannot altogether escape that. I have often thought that if the Conservative members of another House had showed the good sense shown by a good many Liberal members of that House and had walked out, they would have been well advised on that occasion. There have been great changes since a year ago. The doubts we had then on this matter have all been dispelled. This House now accepts the principle of old age pensions, and not only has the principle been accepted by this House, but it has been accepted throughout the whole country. From one end of Canada to the other we find Liberals and Conservatives vieing with each other as to which can give to the old people of this country the better old age pension measure. Here we have our friends of the Conservative party telling us that they will give to the old people perhaps more than the $20 a month that is mentioned in this bill, and they say that they want to reduce the age limit from seventy to sixty years. They will give many other things away in excess of what is contained in the bill. I am, however, prepared to accept the bill, subject of course to that one particular amendment which I have just mentioned.

There is one other question that I wish to touch upon before I sit down, and it appertains to the amount which an old man can earn outside of the amount which he receives as a pension. When we speak of a pension, I hope this matter is looked upon as a pension and not as a gratuity, as it is, I believe, considered by some hon. members. When men or women have reached the age of seventy years, having lived honourable lives and having given of their best to this Dominion, the least the state can do for them is to provide them with something to tide them over their difficulties in their old age, and that should not be looked upon as charity but as something the state owes them. An old lady hailing from Kingston came to see me in the city of Winnipeg where she was living on the gifts of her friends. She told me that her grandfather was one of the founders of the city of Kingston, and yet that old lady of about seventy-five years was compelled to go round and live on the charity of the people of the city of Winnipeg.

The bill as it came before us last year provided for a maximum earning, including the pension of $240 per annum, of $365 per annum. In other words, if a pensioner was earning more than $10.50 per month, he would have a reduction made from the amount of his pension. If he was earning $20 a month, his pension would be reduced by the amount which he earned over $125 a year. In other words, if he earned $240 per annum he would be entitled to a pension of only $125 per annum. That is one of the lowest amounts of any pension scheme that I know of in any part of the world. The limit has been practically wiped out of the old age pension legislation in Great Britain. The limit in Australia is considerably higher than that proposed in the bill which probably will come before us in the next few days. I hope the government will take into their serious consideration the question of increasing to $240 per annum the amount of earnings allowed in addition to the pension of $240.

I also hope they will take into consideration the question of increasing the grant from the federal treasury to the provincial treasury from fifty to seventy-five per cent. The reason I make that as a minimum stipulation is very easy to understand. If the provincial governments have only twenty-five per cent to contribute to the cost of pensions, there will be little excuse for any provincial government not to put into operation a scheme of old age pension. On the other hand, if they are asked to contribute fifty per cent, there will be a very good reason for many provincial governments, who now find their financing difficult, to put into operation such a scheme, and the Dominion government will have to assume the full responsibility in those provinces in which the old age pension scheme will not be in operation.

Yesterday when we all listened so earnestly and attentively to the statement of the Minister of Finance (Mr. Robb) the word which was probably most used in his statement was "prosperity". If there is as much prosperity as was stated by the Minister of Finance it

should not be difficult for this government to provide the extra $5,000,000 or $6,000,000 that is involved in increasing the fifty per cent to seventy-five per cent. If that is going to mean the difference between having or not having an old age pension scheme in the provinces of Canada, it would be in the interest of this government to increase the fifty per cent to seventy-five per cent, so that when the time comes no province will be able to say that it cannot put the scheme into operation and, what is much more important, there will be no aged men and women, who have been looking forward anxiously for the establishment of this scheme which will give them at least that minimum of $20 per annum, who will have looked in vain.

Mr. ARTHURS: The keynote of the observations of my hon. friend (Mr. Heaps) regarding this bill has been that of charity. He pointed out that it was necessary for this Dominion to come to the rescue of certain of its inhabitants on the ground that they should be charitably dealt with in one province or another. We have had a similar case in Ontario, and I know no difference between the case of mothers' pensions in Ontario and that of old age pensions in the Dominion of Canada. No difference can be made between the case of a widowed mother in Ontario and one in Quebec or any other province; and the same should apply in the case of an aged father of seventy years or over. The principle should be the same; that is to say, if the province is liable and if it assumes the responsibility in the one case, it should certainly assume the responsibility in the other. In Ontario we have assumed responsibility in regard to mothers' pensions.

Two years ago my hon. friend or his associate moved a resolution asking that the Dominion should put into operation a scheme of old age pensions, one hundred per cent Dominion. I may be wrong in the name; if it was not my hon. friend it was the hon. member for Wetaskiwin (Mr. Irvine) then the hon. member for East Calgary. The motion was put and, as we quite admit, the consensus of opinion in this House was against it. But my hon. friend has been eminently unfair in saying that in the discussion last year we were opposed to the principle then enunciated.

Mr. HEAPS: I did not endeavour to convey that impression.

Mr. ARTHURS: I spoke last year on this question and I was then and I am to-day hundred per cent in favour of the principle of old age pensions. I was one hundred per cent against the principle of the Dominion embarking upon this scheme without the consent of the various provinces. Apparently no effort was made then or prior to the time when the discussion occurred, nor so far as I know has any effort been made up to the present time in regard to the matter. The minister from Saskatchewan might be a good authority.

Mr. DUNNING: On what?

Mr. ARTHURS: On whether or not the provinces should enter the scheme.

Mr. DUNNING: I want to say a word when my hon. friend has finished.

Mr. ARTHURS: My assertion is that there has been no discussion on the part of the various provinces in regard to this matter, and no information is available to the members of this government as to whether the provinces are or are not prepared to embark upon a scheme of this kind. We know by information which we receive every day that certain provinces are not prepared to embark upon this scheme.

Mr. HEENAN: British Columbia has indicated by correspondence that it is willing to co-operate.

Mr. ARTHURS: We have heard that several times. What about the other provinces? What about Quebec?

Mr. HEENAN: I understood my hon. friend to say that no province was prepared to co-operate.

Mr. ARTHURS: I did not say that.

Mr. GUTHRIE: There is none yet. The bill in British Columbia has not yet been read a second time.

Mr. HEENAN: I had a letter from the premier.

Mr. GUTHRIE: That does not matter.

Mr. NEILL: The bill has been introduced and passed its second reading.

Mr. GUTHRIE: It is not law yet.

Mr. ARTHURS: Is that prior or subsequent to the acceptance by British Columbia of the motion?

Mr. NEILL: It has passed the British Columbia House.

Mr. ARTHURS: It is anticipating this bill. There is no doubt that at least ninety per cent of the total population of Canada in the various provinces have given no assent to this bill in any way, and the provinces represented here by some hon. members are among those which are not likely to give assent to this bill at the present time.

Mr. DUNNING: Is my hon. friend looking at me?

Mr. ARTHURS: I could not avoid looking at you, you are so good-looking. During the previous election, as many hon. members have said, the Conservatives received many knocks regarding this particular legislation. They did not deserve it. I stood on my feet at the last election in exactly the same position as I stand now.

Mr. FORKE: You would not stand on your head, would you?

Mr. ARTHURS: And I am still here, in spite of all the Forkes they might have put up against me. I made the statement then that this was a matter for Dominion legislation and no other—and some of the Forkes have passed between now and then. I make the same assertion now that this legislation, to be of any use to the whole Dominion, must necessarily be Dominion legislation. The expedient put forward by my hon. friend from Winnipeg North Centre (Mr. Woodsworth), that the government of the day should assume seventy-five per cent instead of fifty per cent, is absolute camouflage. If it were right that we should adopt fifty per cent or seventy-five, why not say one hundred? Has any hon. member an answer to that? Has my hon. friend changed his mind as between the fifty per cent and the seventy-five, as between the different provinces and the Dominion? Why should he not support the suggested amendment of the hon. member for Winnipeg North Centre? And if seventy-five per cent, why not one hundred per cent?

There is no question as to the result of this thing. On this side of the House we are absolutely in favour of the principle of old age pensions. We are absolutely opposed to the principle of putting up some bill which in itself, and to the knowledge of every member of the government, is a subterfuge and a camouflage, and will never have any effect so far as relieving the old people are concerned.

Mr. DUNNING: My hon. friend addressed a question to myself, particularly relating to the province of Saskatchewan, which gives me an opportunity to say a few words with respect to the resolution now before the committee. I think everyone who has spoken in this debate has expressed his adherence to the principle of old age pensions. Principles are fine things, but they do not keep body and soul together. We require to get further than a mere discussion of principle in connection with a matter of this kind, if it is going to be of practical value to the people affected by it. May I submit that it does not advance the cause of legislation in this House for any hon. member to rise and describe a piece of legislation as camouflage or subterfuge, known to be such by its promoters and not intended by them to work out properly, as the hon. member who has just spoken (Mr. Arthurs) has done? I submit the government is serious in advancing the measure as one calculated to establish in the country a system of old age pensions, which may not be perfect in its inception, but which will at least—

Mr. ARTHURS: I did not say the government knew. I said certain members of the government.

Mr. DUNNING: I thought my hon. friend said "every member." He says now "certain members." Well, in any case I say that the legislation now before the House, if and when enacted, will establish this principle in operation. My hon. friends opposite say that their policy would be to introduce such legislation only after a conference with the provinces, and after securing with the provinces an agreement to co-operate in connection with it. I say now what I said during the election campaign with regard to that policy. If we wait until the nine provinces are all agreed on the kind of old age pension scheme that they desire to enact we will wait till doomsday. Why not proceed in connection with this matter on the same principle on which the Dominion proceeded some years ago, when my hon. friends opposite were on this side of the House, namely, to volunteer assistance to the provinces in the matter of building roads? Did they wait till all the provinces had agreed to accept a proportion of the partnership scheme then proposed in the construction of highways? No, the federal machinery was set up and any province might take advantage of it, and most of the provinces availed themselves of the proposition—not all of them immediately, but some of them delayed till the time fixed for the scheme had almost expired. I might mention the application of the same principle in connectioan with the scheme for agricultural education and in connection with the Technical Education Act. When the federal parliament lays down the terms on which they are willing to assist any province in carrying out what is really an essentially provincial undertaking, it involves a recognition by the federal government of the desirability of national assistance in connection with what has been considered to be a local undertaking. Frankly I am favourable to provincial and dominion co-operation in this matter, and I am

favourable to it on practical grounds. The practical grounds are these: The provincial government at the present time, in the nature of things, deals with matters affecting property and civil rights. Their provincial administrative machinery is much closer to the people in dealing with a matter of this kind than federal administrative machinery can possibly be. The administration of a completely effective scheme, supported one hundred per cent by the federal government, would mean the setting up of a complete new piece of federal machinery from one end of Canada to the other, because we have no existing federal machinery readily adaptable for the purpose contemplated by this bill. On the other hand, there is scarcely a province in the Dominion which is not at the present time administering, directly or through the municipality, some analogous undertaking, some undertaking very similar in its general character, such as the mothers' allowance scheme, or such as the various child protection acts, involving as they do the supervision of foster homes, where children have been adopted under the provisions of the various child protection acts. They have now the machinery, they have the inspectors, and they can add the administrative machinery contemplated by this measure with very little expenditure; while, so far as the Dominion is concerned, it would require a new and expensive piece of machinery.

Some of my hon. friends would get round that difficulty by saying, Well, if the provinces had the machinery why could the Dominion not bear the whole hundred per cent and return the money to the provinces for administration? That argument has been advanced, and I submit it is unsound in principle for that body which is responsible for the raising of the money to exercise no control over expenditure under a scheme of this kind. There must be some control to expenditure and administration by the body which has the responsibility of raising the money. In this case, under the measure now before the committee, the Dominion has the responsibility of providing one-half the money. It is quite a sufficient check upon the administration of the scheme to have the provinces charged with the responsibility of raising the other half of the money required.

Mr. ARTHURS: My hon. friend has given me instances of Dominion grants for roads in the various provinces. Will the minister tell me how much has been saved by the Dominion through the fact that they have had control of a certain amount of the administration?

Mr. DUNNING: I do not quite get my hon. friend's question.

Mr. ARTHURS: There were twenty millions voted for roads in the various provinces. What has been saved the Dominion by the fact that we have had some share of the administration of the act?

Mr. DUNNING: The Dominion's share in the administration of the Federal Highways Act is indeed very small.

Mr. ARTHURS: But in the end we paid the $20,000,000.

Mr. DUNNING: Of course we did, because parliament authorized the payment of the money, in the manner prescribed by the law itself, among the various provinces in proportion to their population, and the expenditure of that money was carried out by the province, except for audit work and engineering inspection on the part of the Dominion in order to ensure that value should be received for the outlay. I am not proposing in connection with this scheme that the Dominion should not exercise the same supervisory authority over the machinery created by the province for the administration of old age pensions. But the detailed administration can be well and economically taken care of by existing provincial machinery, and I submit that it will prove cheaper in the long run so to do.

May I remind members of the committee and particularly my hon. friend (Mr. Heaps) that while some of us may be sympathetic to a larger proportion of the cost being borne by the Dominion, the matter is not so easily settled. My hon. friend himself said that he was sympathetic to the idea of the Dominion bearing a larger proportion. May I point out that parliament consists of two Houses and that what we do here is subject to review elsewhere in a place which I am not permitted to name nor to discuss in this House. Those of us who believe in the principle of old age pensions are aiming at getting a measure which will pass the parliament of Canada; and the parliament of Canada consists, as I have said, of two Houses.

Mr. HEAPS: Does the minister think that if he fixes the proportion at seventy-five instead of fifty per cent this will influence the other House in any degree?

Mr. DUNNING: Perhaps I can best answer that question by saying that I do not think it will make the passage of the bill any easier in a certain other place. That is my opinion.

Mr. HEAPS: In view of the fact that the political complexion of the other House is not the political complexion of hon. gentlemen opposite but the same as that of most hon. gentlemen on this side, and in view of the further fact that hon. gentlemen on this side advocate a one hundred per cent contribution, is not a seventy-five per cent proportion just as likely to pass in the other House as fifty per cent?

Mr. DUNNING: If my hon. friends opposite were as logical as the hon. gentleman who has just spoken, perhaps there might be some force in his suggestion. But after our experience of last year in this regard,—and I do not want to trench upon subjects of doubtful order in this discussion—I am sure we all have a very vivid memory of the attitude of some members of the parliament of Canada on the question of old age pensions. I can speak, by the way, of members of the parliament of Canada, meaning the whole parliament, without getting out of order. I say that we all remember that members of the parliament of Canada of one political persuasion in one House took an attitude quite in contrast to that of some members of the parliament of Canada of the same political persuasion in another chamber. We have a very vivid memory of this, and because of that experience we are inclined to take with a grain of salt the protestations of hon. gentlemen opposite with reference to the attitude of the great Conservative party on old age pensions. However, suffice it to say that last year's bill did not become law; and this, not through any fault of the Liberal party, not through any fault of the Progressive party, not through any fault of the Labour party, not through any fault of the United Farmers of Canada—

An hon. MEMBER: Through no fault of the Conservatives.

Mr. DUNNING: Well, then, evidently no one was responsible.

Mr. LADNER: The minister speaks of the illogical attitude of the Conservative party in this connection. May I ask him if he was responsible for a letter written by the government of the province of which he was premier on the nineteenth day of November, 1925, to the parliament of Canada, as follows:

> The government of Saskatchewan is of opinion that an old age pension scheme for Canada can best be adopted by the federal government alone. There would seem to be so much difficulty in the way of providing any scheme that would be suitable to all the nine provinces of Canada as to make it impossible, and it will be readily understood that if any number of the provinces were to remain out, it would be almost impossible to adopt any scheme that would not subject those provinces within the arrangement to a considerable expense that should rightfully be borne by those outside the scheme. While we are disposed to think that an old age pension scheme should be undertaken, the difficulty in the way of the suggested scheme appears almost, if not entirely, insurmountable.

Did the minister write that letter?

Mr. DUNNING: My hon. friend has the signature before him. Let him read it.

Mr. LADNER: I have not. I have only extracts from the correspondence between the government of Saskatchewan and the chairman of the committee on pensions. I presume that it was my hon. friend's government who wrote this letter advocating the federal scheme.

Mr. DUNNING: I apologize to the hon. member; I thought he had the signature before him. However, let me tell him that the signature to that letter is not mine. I was expecting that the letter would be quoted the moment I rose to my feet, and I ought to thank the hon. gentleman for allowing me to proceed thus far without introducing it. It was quoted in the debate last year. The letter is signed by the Hon. Mr. Gardiner, now Premier of Saskatchewan, and represented the first reaction of that government to the proposal that it should, back in the year 1925, embark upon the scheme as submitted by a committee of the House of Commons at that time. The province of Saskatchewan, however, does not stand still. My hon. friend does not recognize that.

Mr. BENNETT: That is, since you left.

Mr. DUNNING: Yes, since I left. May I take this opportunity of saying for my hon. friend's benefit that the province of Saskatchewan is going forward even faster since I left than it did while I was there. My successor is carrying on the tradition of the Liberal party in that province in a very able manner. It so happens that a discussion has taken place recently in the legislature of Saskatchewan with reference to old age pensions. Such a discussion has occurred, indeed, on one or two occasions since the date of the writing of that letter to which my hon. friend has just now referred, and I hold here a report of a debate which took place on February 7 in the legislature on this subject. It gives the considered attitude of the government of Saskatchewan at the present time. The argument has been advanced from across the floor that the provinces will

not take advantage of the scheme; but we know that the province of British Columbia is already prepared to do so, and I can trust public opinion, as expressed throughout Canada during the last federal election, to see to it that most of the provinces of the Dominion will follow suit. To state that the provinces of this Dominion are less responsive to public opinion on a matter of this kind than is the federal parliament is to state something which of course is not correct. The present Premier of Saskatchewan, discussing the matter, read the letter referred to by my hon. friend as indicating the attitude of the government of that province at that time towards the question, and then—

Mr. LADNER: Was not my hon. friend Premier of Saskatchewan at that time, in the year 1925?

Mr. DUNNING: Yes. But the trouble with my hon. friends opposite is this: because they are standing still they want all the rest of us to stand still. That is the difference between us.

Mr. LADNER: Will the minister then admit that in November 1925 he did advocate a federal scheme, which he is now condemning?

Mr. DUNNING: No, I will not admit anything of the kind. I will say this, that when the matter was first propounded to the government which I had the honour to lead, without the information which came later, involving as it apparently did a very considerable provincial expenditure, a very cautiously worded reply was returned to the proposal that the province should undertake large expenditure in connection with such a scheme. Of course I will admit that the government of Saskatchewan and the members of the legislature of that province later had the benefit of studying the evidence taken before the committee of this House, and also had the benefit of the discussion which occurred in this House last year when the matter was very thoroughly threshed out. As I said before, we do not stand still, and the attitude of to-day is what matters. Surely my hon. friend does not hold strongly to exactly the same opinions on every matter which he expressed in the month of November, 1925?

Mr. LADNER: No, but my reason for speaking of this letter was that the minister was endeavouring to ridicule the stand taken by the Conservative party and by Mr. Meighen.

Mr. DUNNING: No.

Mr. LADNER: Yes, and he was attempting to show how illogical and foolish it was. I merely wanted to present a picture of other people under similar circumstances.

Mr. DUNNING: I suppose we could go on along this line all evening. I might point out, however, that in the illogical position I was depicting, frankly I had no intention of ridiculing Right Hon. Arthur Meighen; far be it from me to attempt to do so; in fact it is beyond my powers. I was contrasting members of the same parliament of Canada on the same occasion, dealing with the same matter, and my hon. friend brings up a cautious opinion expressed two years ago based on partial information, and contrasts it with an opinion expressed to-day based on more complete information, as evidence that we are guilty of the same illogical attitude adopted by the Conservative party in both Houses last year.

Now perhaps I can state what the attitude of the province of Saskatchewan is to-day. I would like to read what the premier of that province has said:

> Saskatchewan to-day was in the position of waiting the action of the federal government to reintroduce its old age pension plan of last year or of introducing a provincial scheme. To bring in a measure now when a bill was probably to be brought down at Ottawa, would be selfish. Should the Dominion bill be introduced the Saskatchewan government could offer its assurance that careful consideration would be given to any Dominion-wide scheme, so far as it affected the people of Saskatchewan.

That, I submit, is a wise attitude to take pending knowledge of exactly what the legislation emanating from this parliament will be.

Mr. LADNER: Is a federal scheme referred to by the words "Dominion-wide"?

Mr. DUNNING: I have given my friend a lot of latitude; surely he does not need more. Just in conclusion, touching the point made by one of the hon. members for Winnipeg, I do not believe the present scheme to be perfect. I am not now suggesting improvements, which I think can be very much better suggested in the light of experience in operation.

Mr. HEAPS: Might I ask a question? Once the bill becomes effective, would not the nine provinces be required to give their consent to any change?

Mr. DUNNING: Not necessarily; I think the machinery of the law can be operated in such a manner as to enable us to deal with the matter in much the same manner as other joint matters between the Dominion and the provinces have from time to time been dealt

with. Just recently there was a conference of the provinces interested in the Technical Education Act, and the views of the provinces and of the federal administrators of the act were taken into account. I believe that the minister concerned is now giving consideration to those views arrived at jointly by the responsible officers charged with the administration of that act and the representatives of the provinces. I do not apprehend very serious difficulty in that connection. I do plead this however, that we should get an old age pension scheme on the statute books of Canada; that so far as we can now see, the scheme outlined now represents a fair start on the problem. There can be no mistake; the people of Canada endorsed what we did in this House last year with regard to this matter, and endorsed it very emphatically. That being the case I submit that this bill represents a good place to start in order to deal effectively with this problem.

Mr. MILLAR: This may not be a good time to discuss the details of such a measure, but since it has been discussed at considerable length already I propose to offer a few general observations. This is a measure which I have very much delight in supporting. I have noticed during the last five years how easy it has been to get through legislation which makes the rich richer, and how difficult it has been to pass legislation which will assist those who are most in need. I am convinced that there is a malady which has attacked all countries; Canada has suffered perhaps as little as any, but this country is not entirely free from it. The will of the rich is imposed on those who are not able, either financially or otherwise, to protect themselves. It has made my heart sad sometimes when I sought relief for some real sufferer, perhaps a returned soldier suffering from a disability, only to find all sorts of difficulties placed in the way. I have a letter on my desk now from a returned soldier suffering a twenty-five per cent disability. He has a sick wife and a family to keep, and says, "All I want is a chance to earn a living", yet he does not get that chance. I have noticed that it is most difficult to get redress for such people, and therefore I am very pleased to support legislation which will assist those most in need.

I suppose there are those throughout the country who have been looking with a great deal of pleasure and satisfaction towards such measures as the reduction in the income tax, and I suppose there are those who have in other days looked for the protection given by an increased customs tariff. But I can assure the House that it means very much more to the old man and the old woman who have lived seventy years; who have passed through difficult times and through no personal fault are now destitute. It means to people of that kind a living; it means food and clothing, and throughout this country are thousands who are looking for this relief.

A great thinker in addressing an audience in the United States a short time ago pointed out that people are coming to a stage where they will not stand for the unequal distribution of wealth. He had noticed that to which I have referred. He instanced those who are drawing salaries of from $10,000 to $50,000 a year, and contrasted others working as hard, working longer hours, just as able in their own line, but only receiving one-tenth or less of the salary.

At some other time than to-night I shall perhaps have something to say about the tendency in this House to give pensions to those who are receiving now and who have received for years a very large salary, one of perhaps $8,000 or $10,000 per year. A salary so large is quite sufficient to enable them to provide for their old age, by insurance if not otherwise, but how readily a measure will pass this House increasing their salaries or providing them with a pension for their old age. That is the class of legislation to which I refer when I mention legislation which makes the rich richer, but this is a measure which helps the poor.

There is one clause in this resolution that I should like to criticise. Paragraph 7 reads:

> That the maximum pension payable shall be two hundred and forty dollars yearly, which shall be subject to reduction by the amount of the income of the pensioner in excess of one hundred and twenty-five dollars a year.

Thus if an old person who has reached the age of seventy should perform some small service and earn a hundred or two hundred dollars a year, that amount is deducted from his pension. Is not that a mistake? Why in the name of common sense should not aged persons, if they are industrious and willing to work in order to add a little to their income, be allowed to do so without being penalized? How will this provision work in most cases? In the majority of cases the old person will reason like this: If I earn $150 I will simply lose it to the government. The government will simply pay me that much less, so what is the use of working?

Mr. HEENAN: That is not correct.

Mr. MILLAR: The minister says that is not correct. I should like him to explain that point before I proceed.

Mr. HEENAN: The exemption is $125, so that if the aged person earns $150 he will only lose $25.

An hon. MEMBER: Deduction is made on the excess earned?

Mr. HEENAN: The amount earned in excess of $125. That would mean that if such person earns $250 more than the $240 he would be penalized to the extent of $125. That is to say that if a person earns $125, he will receive a pension of $240, making $365. If a person earned $126, he would lose $1.

Mr. HEAPS: If he earned $30 a month he would be entitled to $5 a year.

Mr. MILLAR: That is not much of an improvement. He would lose a part of what he earned if his income went above a certain amount.

Mr. HEENAN: Yes.

Mr. MILLAR: I think that is wrong in principle. When the pension is only $240 a year, a small part of what will suffice to keep body and soul together, why not delete this restriction altogether?

It has been pointed out sometimes that such measures as this are abused. I have no doubt there are persons who will take an unfair advantage of a law of this kind just as they will in the case of unemployed insurance. But I would point out that after all the number of such persons will be comparatively small. I have some other objections to this measure. I have noted the objection raised by other speakers that some provinces may not come in under the measure but the minister is right in saying that it is a start. This legislation is likely to pass the other House and perhaps it would be well not to be too critical at the present stage. In the light of experience it will be possible to amend the bill when it goes into effect, make it more workable, and give relief to a greater number.

Mr. NEILL: I will only detain the House a few minutes. I do not care who gets the credit for passing the proposed bill. As long as I can have the child and keep it, the paternity is of no concern to me. There has been a great deal of discussion along that line which I will not follow up.

There has been also a great deal of criticism by hon. gentlemen opposite, so much so that it can be crystallized into a general sentiment instead of being looked upon as merely expressing individual opinions, I think I am right in saying that the general trend of the opinion of hon. gentlemen opposite is that there should be a wholly federal scheme. I hope hon. members opposite will endeavour, now they are so agreed on such a policy, to imbue their friends in another House with their views. Because I have here the Hansard of last year, although I will not detain the House by reading it, showing that man after man got up in the other House last year and said that his sole objection to the bill was that it should be a provincial matter.

Mr. GUTHRIE: There is a rule of the House that we are not allowed in debate to refer to the action of the other House on any of these matters. We have very carefully observed that rule on this side in this debate, and I think it should be just as strictly observed by hon. gentlemen opposite.

Mr. NEILL: I will not stress the point, but I think it is a little late in the day to raise that issue.

Mr. GUTHRIE: I think perhaps it should have been raised before. I notice that even ministers have transgressed the rule.

Mr. NEILL: The question has been discussed time and time again this session. Last session it was discussed not for one day but for weeks at a time. However, if my hon. friend wishes to adhere to the strict letter of the rules, I have no objection.

Mr. GUTHRIE: I know that if the Senate discussed our actions we would very speedily repudiate such a proceeding. I think we should be very careful on that point in our own discussion.

Mr. NEILL: I think if the hon. gentleman reads Hansard he will form a different opinion. However, I may perhaps be permitted to express the point in a somewhat different way, and say that those hon. gentlemen opposite who are now so strongly in favour of a wholly federal scheme will, I hope, use their influence with any friends they may possess in favour of that scheme. I can quote at least the views of their late leader, the Right Hon. Arthur Meighen, which I had not intended to do. Perhaps they may recall Mr. Meighen's remarks when speaking, in the district in British Columbia which I represent, he gave utterance to the following statement:

It was a matter for the provinces—

This is the opinion of the late leader of the party, which is now almost wholly in favour of a federal law.

It was a matter for the provinces and if they could not agree, then the Dominion can do nothing.

Further on he said:

It was just sham legislation. If the bill had become law no one would have got a dollar pension out of it. It was a sham and sham was written in perforated letters—

Why perforated letters?

—across four-fifths of the legislation of the King government.

And so on. Some hon. gentlemen made the assertion this afternoon that the Conservative candidates in British Columbia did not admit the charge of opposing the bill in this House. I have quoted the language of the Right Hon. Arthur Meighen on the very first occasion, I think, when he spoke on old age pensions in British Columbia, although he did get a little more enthusiastic as time went on.

The question of cost was raised this afternoon and I will deal with that later on, but I just want to draw attention to it as I go by. Remember always that making the scheme a purely federal one will at least double the expense, which is one of the reasons which led to its failure last year. I am not saying this in any critical spirit against any particular hon. member. I have no doubt some hon. members are genuine in their desire to see a bill and a good bill passed. A few attacked it from a political aspect, and one or two endeavoured, by their belated statements in this House, to cover statements which they made on platforms throughout the country.

Several hon. gentlemen raised the point that the age limit should be sixty-five instead of seventy. Certainly it should be sixty-five, but we must walk before we run, and to make the age limit sixty-five would enormously increase the cost. We have it on record that Great Britain, which, so far as the British Empire is concerned, first initiated legislation of this character, began with the age limit at seventy, and the old age pension in Great Britain begins at seventy years to-day. Some people contradict that, stating that the age limit is sixty-five, but that is a separate and contributary scheme. Between sixty-five and seventy years of age, there is a sort of preliminary scheme which is contributary in character; but after people reach seventy years of age they drop their payments under that scheme and they come under the standard old age pension scheme which now, as at the beginning, in Great Britain still stands at seventy years of age. I would again point out that one hon. gentleman—although I do not admit his figures or his argument—demonstrated, at least to his own satisfaction, that to lower the age at which the pension would begin from seventy to sixty-five would increase the cost by ninety per cent. There again you have a ninety per cent increase in the expense.

An hon. member from British Columbia, to whom I will not give the publicity he would like by mentioning his name, said that it was not the right way to deal with a scheme of this kind to consider the age and destitution of the person, but that his physical condition should be taken into consideration. He suggested that the Minister of Labour should have discretionary powers to take in a man or a woman who was under the age of seventy, provided that he or she suffered from some physical disability. In other words, the Minister of Labour could, I suppose, by order in council or on his own initiative—I do not envy him his job—decide that someone was seventy when he was only fifty-five. That is a most admirable position for someone around election time. I would point out that this measure is called an act respecting old age pensions. It is not an act respecting the blind which is a very worthy object and one that should be taken up some day, the sooner the better so far as I am concerned. It is not an act respecting cripples or those suffering from any other disability, nor even an act respecting soldiers. It is an act respecting destitute old people, and I think the act is big enough to be passed without our bringing in other aspects of disability with which it has nothing to do, but which tend to becloud the issue, increase enormously the expense and perhaps render the whole thing inoperative.

Another hon. member said that a pension of $20 per month was too little. I know it is; I agree with him that $20 a month is too little; but we must begin small and we know that it will never get less. One or two other hon. members said that the pension should be raised to at least $30 a month, an increase of 50 per cent again. I will deal with those figures later on.

I think one hon. member from British Columbia stated that in our gaols we allowed a dollar a day for keeping each prisoner. Being more familiar perhaps with gaols than he is. I would point out that there is a reason for that. To begin with in gaols there is a certain amount of extra expense for fortifications, guards, bars and police that have to be provided. But there is another aspect of the matter and perhaps I am not giving away my province when I say this. There has been a movement there for some years past to induce the different municipalities who do their own policing, to turn over that obligation to the province, at a price, of course. The

movement is gaining some headway and it is desirable from the point of view of the government that they get this all within their control. They think in that way they can control it better and do the work more cheaply than the municipalities. The price used to be only fifty cents a day and now they have raised it to a dollar. The reason is not because it costs a dollar now any more than it did before, but because it makes the municipalities more willing to turn over the responsibility to the province. That is the reason why they have jacked up the price of keeping a prisoner, which price of course has to be paid by the municipalities, to a dollar a day. It does not really cost as much as that to keep him.

An hon. member, from British Columbia again, trotted forward—no, he was ashamed to bring forward the argument he used in this connection on the platform, but he tried to cover it up in this way. He brought forward the question of a widow who was not a British subject before her marriage. On every platform in the campaign I was assailed by the idea that this legislation had deliberately and heartlessly legislated against the poor woman, say a Scandinavian who had come to this country and been a good, honest and faithful wife to a British subject for twenty years and who had raised a large family—the number varied from time to time—and then when her husband died no provision was made for her because she was an alien before her marriage. Some speakers were really ignorant, but hon. members knew that was a complete mis-statement of fact. None knew better that that was put in not to hurt any widows but to protect them. As I think someone explained this afternoon, it was put in to cover the case of a Canadian woman who married an American. As at least every lawyer knows she then takes the nationality of her husband, and therefore, when he dies, she still remains an American woman and ineligible for a pension. It was this case that the bill provided for. In that case she could in five years get back and renew her nationality with expense, worry and nothing to eat in the meantime. We provided that while she was technically an alien, an American, she was allowed to go back to her own British nationality. Therefore it was a very well thought out thing, but it was thrown against us that we were not taking care of the poor woman. In his desire this afternoon to confuse the issue, he said there might be a case, yes perhaps one in a thousand or five thousand— of a woman with a dual nationality where after the decease of her British husband she would still have both a British and a Japanese or a German nationality. How many times would that occur in a thousand years? Any difficulty of course would be obviated by the fact that if she returned to Japan—and only in that way could she regain her Japanese nationality—she would cease to draw the pension.

Mr. LADNER: My hon. friend seems reluctant to name members to whom he refers. I do not know why he lacks such courage. I ask him whether my statement of law with respect to the national status of dual citizenship is not correct, because he knows.

Mr. NEILL: It is possibly correct that a woman or man can have two nationalities, such as British and German. If they went back to Germany, they would be Germans. The same might be true as regards Japan. It was the case until a year or two ago and probably it would be found that they could easily regain their Japanese nationality. But that could happen only if they left Canada, and if they leave Canada, this legislation says that they lose their pension anyhow. The chances of that happening would be one in a thousand. That was not the contention and well does the hon. gentleman know it. The contention made on the platform was that we were discriminating against a large number of decent people who had come into this country and married Canadians.

Mr. LADNER: I wish to take exception, on a question of privilege, to the remarks of the hon. member. That was the contention made and my hon. friend, whose casuistry and sophistry are so apparent on the platform, has sometimes to have these facts clearly stated. The contention which I made, and made in his constituency, was precisely the one I made in the House to-day, and none other.

Mr. NEILL: I seem to have touched somebody on the raw. Another criticism that was made on the platform was this. He said —I am reading from his own party paper:

> The act they proposed said that pensions would be paid in accordance with regulations thereunder. The act was so involved in a technical way that nobody could get a pension under it.

In a technical way!

> To obtain the pension a person had to confess to being 70 years of age.

Would not that be a terrible thing?

> The women would not like that. They do not like to give their age.

And so on, and so on. A moment later he added:

> The Senate did not kill the bill. All they did was to bury it. The Liberals' old age pension bill was a sham and was designed solely as a vote catcher.

That is the bill which he now says he is heartily supporting!

There is one other clause with which I would like to deal. I think this was the section which he referred to as the most damning in the whole act, and that is section 9. That is the one which empowers the board to claim the estate of a deceased pensioner under certain conditions. I think he used the language—I took it down at the time—that this meant confiscation under all circumstances. That will show in Hansard tomorrow if it is put down as I heard it. I think the hon. minister questioned the accuracy of his statement, and I think he then modified it, but that was his original statement which would have gone out to the country without contradiction if the minister had not risen—that this section meant confiscation under all circumstances.

Mr. LADNER: The hon. gentleman is as incapable of clearly stating the facts here as he was on the hustings in his own constituency. I did not say that. The section is quite clear as to what is meant. I explained very clearly the nature of the effect of the section which I described as being a confiscatory section, calculated to confiscate the home, which it does, but not confiscation under all circumstances. Such a contention is clearly ridiculous.

Mr. NEILL: Hansard, if it has not been tampered with, will reveal the truth tomorrow.

Mr. LADNER: Mr. Chairman, I ask the hon. gentleman to withdraw that.

Mr. BENNETT: Hansard is not tampered with. The idea of any man suggesting that!

Mr. LADNER: The hon. gentleman from Comox-Alberni may indulge in that practice, but I do not. I ask that the hon. gentleman withdraw that statement, Mr. Chairman.

The CHAIRMAN: I personally did not hear the hon. gentleman make that statement. If he did make the statement which he will know himself, I think in fairness to the reportorial staff he should withdraw it.

Mr. NEILL: What I meant was this, Mr. Chairman. It is a well known custom that we are allowed to revise our speeches to make them read a little better, by putting in a word here or extracting a word there.

[Mr. Neill.]

Mr. BENNETT: That is not tampering.

Mr. NEILL: What I meant was that if the statement has not been corrected, Hansard will show that it was as I have stated. I had no intention whatever—I cannot emphasize this too strongly—of making any reflection on the reportorial staff.

Mr. SPENCE (Parkdale): Would it not be wise, Mr. Chairman, to ask the hon. gentleman to express his views on old age pensions without doing so much quibbling about what certain hon. members said on the hustings in the province of British Columbia? I am sick of listening to this sort of thing all day. It is a shame to be wasting the time of the House listening to such bunk, and it is pure bunk. The hon. member should not be listened to at all. He is quite capable of expressing himself on the subject of old age pensions. He did it in the committee, and he should keep to the subject before the Chair. We should not have to listen to this.

Mr. NEILL: It was not the hon. gentleman who has just sat down who had to suffer from these unfair allegations in the campaign.

Mr. SPENCE (Parkdale): It is taking the time of the House that should not be taken.

Mr. NEILL: I was going on to explain about this case of a deceased pensioner. I really think it is deserving of being explained in the fullest way. It has been alleged that after the man dies, the government steps in and takes his property. What are the facts? He can leave it to any other pensioner he likes. He does not need to be a blood relation or anything of that kind. If he has a little property he can leave it to an old friend or chum as long as it goes to help the scheme, which in turn will be able to pay bigger pension later on. That is all right. Then they are allowed to leave it to any one who has helped them in their old age by ever so little. It does not even need to be in cash. It says in cash or otherwise, I think. Supposing a man says: "Well, there is an old couple, and their pension is not very big. I have a cottage that I do not need very much, and I will let them have it rent free." It would apply to that. Or a son might not be able to give a cash contribution, but he might be able to give house-room to his father or mother or his mother-in-law. In a case like that, however little the contribution was, if it was at all a genuine attempt to carry out his filial obligations, he would be allowed to get the full amount of what the deceased pensioner left.

One hon. gentleman opposite—I will not put it nearer than that, to save interruptions—asked, what about the grandchild? The hon. member suddenly produced a grandchild of the pensioner, who is in a state of destitution also, and when the old man died, who was to keep the grandchild? I recall in one of Mrs. Nellie McClung's books a lady speaking on the platform on behalf of the franchise for women, and some man said, "It would never do. Who would mind the baby while the woman went out to vote?" And the lady replied with a good deal of aptness, "Why, I think I could get the same person to mind the baby that minds it when I go out to pay my taxes." I think the same thing is true here. I think the same people who were keeping this grandchild before the old man died would continue to keep it after his death. They could not have been living on the old man. If they were totally destitute, they would have been looked after in the home, or taken care of in some private family.

We have a branch of the federal government which is devoted wholly to endeavouring to get people in this Canada of ours to buy annuities. Why should we do that? It is a case of a man taking all his money and handing it over to the government and getting a certain annuity for life.

Mr. BENNETT: No. He pays weekly or monthly contributions as the case may be.

Mr. NEILL: He can pay it in a lump sum if he likes.

Mr. BENNETT: Yes, if he has the money.

Mr. NEILL: Should we discourage that because when he dies his grandchild will have nothing to get at all? Why not oppose that too? Let me give you an instance that comes home to both of us, and this is in British Columbia, with which we are more familiar. When the hon. gentleman talks about this iniquitous clause that is going to damn this bill, does he know or does he not know, or will he not tell, that in British Columbia we have what is called an Old Men's Home, and you get admission to it by somebody—usually the municipalities—undertaking to pay so much. Sometimes if the people are without the scope of a municipality the government takes them in free. But before that poor old man goes to that home he has to sign over to the government not only all the property he possesses, such as his land or something of that kind, but all the property he may ever become possessed of. He may come into a fortune while in the Old Men's Home, but it is all assigned and turned over to the government when he dies. I am not saying that that is a good scheme but I am saying that the scheme in the bill was a good deal better than that because we did allow the man's property to go to his friends, relations and so on.

Mr. IRVINE: Does my hon. friend know of a similar clause in the legislation of Great Britain?

Mr. NEILL: As to the government receiving deceased pensioners' estates?

Mr. IRVINE: Yes.

Mr. NEILL: I do not know. I want to sum up from the point of view of making it a federal scheme. As we know, the difficulty is the high cost. Now, let us lump the whole criticism together and see where we stand. As we know, it was partly the high cost that made its passage doubtful in the other House last year. Now it is proposed to make the scheme purely a federal one. It was estimated last year that it would cost $11,500,000 a year. Making it a purely federal scheme would bring the cost to $23,000,000. Let us accept that. Let us also accept the suggestion that we should give this relief to people sixty years of age. That would increase it ninety per cent and bring the cost up to $43,700,000. Then we come to the hon. member who says that we should raise it from $20 to $30 a month. That would bring the cost up to $66,500,000. Then there is the whole of the administration cost. Of course if we take it over as a federal scheme we will have to run it ourselves. Then there were one or two other minor suggestions which, if adopted, would bring the cost up to $70,000,000; that is, if we accept the various suggestions which have been made, and the government has been urged to accept them in a fair spirit of criticism, that would mean that the cost would be nearly $70,000,000. What does that mean? It means that the bill would never pass this House, would never pass the Senate and would never pass the country. The result would be that the very object of the bill to give relief to the old people would be nullified entirely, because we would never get anywhere with a proposal to expend $70,000,000 annually on the scheme.

Mr. BRADY: Being a new member of the House, Mr. Chairman, I did not intend to discuss in any way the old age pension scheme, as I am not familiar with the clauses of the bill. I have listened to the discussion with the greatest care, hoping to gain from it an elucidation of the clauses of the resolution that has been introduced. The mass of

material presented to us to-night has reminded me of a well-known fable. A deer, having been wounded in the forest, retired to a comfortable shady place where there were enough luscious grass and tender leaves to keep him from hunger and starvation until his wounds were healed. But a great number of his friends came from the surrounding forest to sympathize with him, and one suggested one thing and one another in order to give him relief. They consoled and sympathized with him in his sickness, but it was not long until that deer died—not from his wounds but from starvation. And so it seems with the old age pension scheme.

I would not have risen to-night had I not heard one thing in particular that the Minister of Railways said. After this discussion we are convinced that the position of the Conservative party has been emphatically and clearly enunciated—that they are behind this scheme for old age pensions, whether it be under federal control or in conjunction with the provinces. I wish the minister were here to correct me if I am wrong, because I wrote down the words he uttered. In referring to this matter he said that they, the opposition, were not in favour of the old age pension scheme unless after consultation with the various provincial legislatures. Now, Mr. Chairman, I do not believe that words bearing that meaning were uttered in this House by hon. members on this side. If they were, Mr. Chairman, I would oppose the proposition, because personally I feel that we are wasting precious time on a matter in respect to which there is absolute unanimity, and such unanimity has been expressed in this House to-night.

I was impressed by the words of the hon. member for North Winnipeg (Mr. Heaps). I felt that he expressed what must have taken place in this House last year when he said there was a great difference of opinion in regard to different clauses of the bill. However, I think we have reached the stage now that it is not a question of the clauses of the bill, because these can be discussed when the bill comes before us. It is not a question of what took place on the hustings last year nor a question of reading reports from last year's speeches which have no relation to the question now before the House. The question is, are we decided, are we unanimous that this old age pension scheme should be put into force and that even if not perfect, it will be given a chance. That is the question, Mr. Chairman, and I have heard the leader of the opposition emphatically say that we were behind it if it were decided that the provincial legislatures should participate in the scheme with the federal government. I regret that we have had so much sophistry and so much discussion; it makes it look to me as if we are not sincere. What does it matter who is to have the honour of passing the old age pension scheme? The point is that throughout the length and breadth of Canada there are people waiting for the verdict of this House. Them we must consider, not whether it shall be a bill of ten clauses or a bill of twenty clauses, but a bill pledged to these people, an old age pension scheme.

Mr. BENNETT: I would not rise to address the committee at this late hour were it not that in the recent election there was so much misrepresentation of the Conservative party and of certain members thereof in this House during the last session on the subject now under consideration. So great was that misrepresentation that it is absolutely essential that in self defence at least one should offer some observations in respect of the matter.

It is for instance very much to be regretted that an hon. gentleman in one of the Ontario constituencies charged that I opposed the old age pensions bill. Nothing is more certain than this, that if under our democratic institutions it is impossible to discuss in parliament a measure of this kind without liability to a charge of opposition to the measure itself, then indeed the value of those institutions, the value of parliament will have passed, and we shall have become mere rubber stamps, registering the will of governments. It is of the utmost importance that every phase of a question of this character should be thoroughly discussed. I find on consulting Hansard of last year, at page 1975, that I spoke as follows:

> I apologize for trespassing again to-night upon the time of the House, but I feel very strongly on this subject. I am deeply interested in it; I desire to see it succeeed. I am convinced that it cannot succeed without the co-operation of all the provinces, unless the Dominion, in defiance of our constitutional jurisdiction as voiced by the Deputy Minister of Justice, sees fit to undertake the whole responsibility, which would involve us in an expenditure of $23,000,000 per annum.

I said that because I had previously read the opinion of the Deputy Minister of Justice —with which, of course, I did not necessarily agree—that there was some question as to our constitutional power in the premises. But I pointed out that if the bill as then introduced by the Minister of Public Works of the day, acting as Minister of Labour, had passed into law, no single individual in Can-

ada could have benefited by the legislation. And on the hustings the Conservative party repeated that statement. For it is a fact that cannot be denied that had that measure been passed by the Senate and given the royal assent, becoming a statute, there was not a single individual in Canada who would have received one cent under it. And why? Because not a single province had enacted old age pensions legislation.

Now there is this to be said, and every hon. member will, I am sure, seriously consider it. To what extent should the parliament of Canada by legislation enforce its will upon provincial legislatures? That is a question that affects the whole structure of our constitutional system, and if we enact statutes whereby we declare that a certain class of people within the province may receive the benefits of federal legislation only on condition that the province shall refrain from crossing a single "t" or dotting an "i," merely doing what we tell them to do, then the provincial legislatures are deprived of the very power which, under our constitution, they should possess. And this statute proposes to make those provincial legislatures, who desire to avail themselves of the advantages of this law, nothing more nor less than registering automatic machines to carry out the will of this parliament. Let there be no misunderstanding about that. We are imposing our will upon the provincial legislatures.

Mr. HEAPS: What does the hon. member mean by imposing our will upon them? There is no provincial legislature which is bound to accept this proposal.

Mr. BENNETT: Surely my hon. friend with his astuteness sees that that is the very point I am making. No legislature is bound to accept the proposal, but if it does it must accept it in its entirety without crossing a "t" or dotting an "i". It must take the measure as it is presented by this parliament. In other words, as I say, this parliament imposes its will on the legislature of any province that accepts the measure.

Mr. HEAPS: Would the will of parliament not be more wholly enforced upon the province if the scheme were a purely federal one?

Mr. BENNETT: Yes, because every federal statute is of dominion wide application; in its operations it extends to every part of the country. But that is the important difference; for a federal statute does not leave its application to the will of any provincial legislature, either to accept or to reject its terms. I was happy the other evening to hear the observations of the hon. member for Wetaskiwin (Mr. Irvine), who was in the House when the committee reported on this subject originally a couple of years ago. That report, following on the opinion of the Deputy Minister of Justice, was predicated upon the idea that a provincial conference would be held so that we might arrive at some definite conclusion whereby we could prepare a satisfactory measure to place upon the statute books, a measure that would have federal application. The difference between a federal and a provincial statute is this: one is operative solely within the boundaries of the province, while the federal statute applies to the Dominion at large. If therefore the province is compelled to accept a measure passed by this parliament, or, on the other hand, to decline it in toto, then the legislative power of that province is curtailed and restricted to that extent, and its legislators no longer exercise their jurisdiction but are subject to the will of this body. My hon. friend (Mr. Heaps) will clearly see that. That being so we did point out last year that under the circumstances it was desirable that a conference should be held. The hon. member for Comox-Alberni (Mr. Neill) the other evening read into Hansard an observation of mine, dissociated from its text, in which I asked the Prime Minister not to force the measure last year. I implored him to take steps to see that the report of the committee should be carried out and a conference of representatives of the provinces held, so that some measure of uniform application might be drawn up. But it was charged throughout the country from one end to the other, and in some of the Ontario constituencies particularly, that the Minister of Finance was opposed to old age pensions. I can only repeat what I have just now read. If anyone will take the trouble to refer to Hansard and to read in its entirety the observations I made in this regard—I hope no one will do anything of the sort—he will find that I gave a considerable amount of attention to the matter. I had had an opportunity of studying the subject at first-hand in England, and after many inquiries I had obtained a good deal of information. There were two classes of cases to be dealt with: one, the case of those over seventy years of age who would get the benefit of the legislation if the provinces passed an old age pensions measure. I urged a contributory system and the Prime Minister (Mr. Mackenzie King) was good enough to felicitate me on what he graciously described, as my helpful observations. The matter was not of a controversial nature. But I realized that under any contributory system

there are in every country numbers of men and women between the ages of sixty-five and seventy who would find it impossible to make any contributions, not having the financial ability to do so. And in the very closing words of my remarks, which I made to the House on that occasion, I used the following language which I now desire to repeat:

I think the government, therefore, will be well advised perhaps to release the whip on its own members and let the opinion of the House as a whole determine whether or not it is desirable at this session to push into this matter or, in the light of a subsequent conference between the provincial and Dominion authorities, arrive at a conclusion which will enable us to place on our statute books legislation of a character that will redound to the credit of this country and that will maintain the confidence and self-respect of the future citizens of this Dominion by encouraging the practice of economy and thrift, while providing for the aged of to-day by suitable contributions to provincial schemes.

That is to say, in order to meet the case of those who could not immediately make contributions because of financial inability, we should ourselves make the necessary grant of money under the circumstances. I referred at that time to a speech of the Hon. Winston Churchill, Chancellor of the Exchequer, to show that millions of pounds were involved in the scheme in operation in England, and at the same time I mentioned the observations of Neville Chamberlain upon the same matter.

Now, let us for a moment forget all about the past. It is not a matter of great importance to me that I was misrepresented. I do not care except for the fact that I owe a duty to friends of mine to correct wrong impressions of this character. I am quite content that the record should speak for itself and I am not concerned about what was said in the late elections. I am however concerned that we should have a clear appreciation and a full understanding of just what we are doing in this legislation. We are not granting old age pensions. That is number one. That, we have said in this resolution, is to be done by the provinces. All we are doing is to place upon the statutes books a provision whereby a sum of money will be granted to any province that sees fit to pass legislation in terms set forth by us. That, to all intents and purposes, is a federal scheme, without having the advantages and benefits of a federal scheme. In the province of Alberta it was a Labour member of the legislature who moved its rejection although at present the Alberta legislature is giving the matter further consideration. It was Mr. White, Labour member from the city of Calgary, who moved the resolution in the legislature condemning this provincial legislation, and I have found out since why that was done. It was done because they said, "This is a very simple matter; you are endeavouring to pass this on to the municipalities, and that is just what the municipalities do not want you to do." They say that "If this is to be a scheme let it be a federal scheme; if there is to be such a scheme let the Dominion take the responsibility for it, and do not endeavour to place the responsibility on the provinces and deny them the right to formulate their own scheme. Do not give them a grant of money without permitting them to have something to say in the matter." That is the situation, and there can be no doubt about it; anyone who reads the bill or the resolution will find that that is so.

[Mr. Bennett.]

I regret to say further that during the last election one of the successful candidates, now sitting in this House, published an advertisement in which he pointed out that it was a "board of strategy" which induced gentlemen in another chamber to destroy the bill. Misrepresentations of that character are not calculated to enhance the value of our institutions. Mr. Meighen has said publicly on many occasions, and he is not now here to repeat it, that he had no part in what happened, nor was he advised of it. He has further said that it was against his protests, when he did hear of it, that the action took place in another chamber which resulted in disaster to that measure. This side of the House gave its support to that measure after pointing out its weaknesses; we did not ask for a division, and for myself I then stated, as I now state, that I believe in an old age pension scheme. But I do not believe in an old age pension scheme based upon a mere granting of money to a provincial authority, thus imposing our views upon them willy nilly. There must be an exercise of some legislative discretion by these legislatures if they desire to pass a measure of this kind, but that is denied them; they must either accept or reject. They must take it as it is or drop it; they cannot get a sou unless they take it as we give it to them, and if they take it in that way they may get some money. That is the position, and that is what the leader of this party pointed out the other day.

Mr. ROBB: May I ask a question? In what respect does this measure differ from the act giving aid to agriculture and the good roads assistance, which were supported by my hon. friend in 1913 and 1914?

Mr. BENNETT: I was going to begin my answer by calling my hon. friend my dear friend; I feel almost affection for him, because I have known him so long, and he is always kindly and courteous. The fact that someone passed legislation with respect to agriculture and highways does not in any sense make this legislation good, because there was a conference with respect to those measures.

Mr. ROBB: There was no conference.

Mr. BENNETT: Pardon me, but I happened to be present, in a very unofficial way, at one of those conferences. I do not know whether or not all of the provinces were represented, but I do know that many of them were.

Mr. DUNNING: Surely, my hon. friend will not say that the provinces agreed to the terms of that federal legislation?

Mr. BENNETT: I am coming to that. The provinces were granted aid for highways and agriculture because the highways were of an interprovincial character, and were so intended to be. My friends will recall the circumstances; it was felt that great trunk highways of an interprovincial character, which really had a federal aspect, should be assisted out of the federal treasury, and the conditions under which assistance should be given were laid down by regulation and agreement. With respect to agriculture the position is that under the British North America Act jurisdiction is given both the province and the Dominion, and the Dominion has been steadily granting aid to agriculture. But there came a time when some of the provinces urged that the obligations of a local character were so vast that they desired aid from the federal treasury, and this aid was granted under conditions which were agreed to by the representatives of the federal and provincial authorities. But that is a very different situation from that which now confronts us. Here all we are doing is placing on the statute books a provision by which a grant is to be made, covering half the money paid for old age pensions, but the terms and conditions under which the provinces will have to carry on their scheme are fixed by us.

Mr. DUNNING: As in the other cases.

Mr. BENNETT: In those cases the terms were fixed by regulation and agreement, but this is a measure which says willy nilly, "Accept or reject." If they reject, what happens? The difficulty is that they still pay.

Mr. KING (Kootenay). The conditions are the same as in those other cases.

Mr. BENNETT: But in the other cases all the provinces availed themselves of the benefits of the legislation.

Mr. KING (Kootenay): They will do the same in this case.

Mr. BENNETT: But the point I desire to make is that which was pointed out by the hon. member for Labelle (Mr. Bourassa) last year. First of all you should not have this parliament thus imposing its will on the provinces, and giving them no discretion at all; then, if we are going to make a grant of money and impose the terms under which it may be used, let us have our own scheme and not a hybrid plan, partly provincial and partly federal. That is the position, and that is the reason my leader made his observations the other evening with regard to this matter, with which I wholly agree. I say to this House that there is no chance of a proper scheme with respect to old age pensions being made successful by the provinces without making further demands upon the federal treasury. In that regard I have had the advice of men who do not live in this country at all; they have studied the question from every aspect and tell me that if we desire to make the scheme a success, it cannot possibly be done by the provinces alone. As was pointed out in the Alberta legislature, the burden would be passed on to the municipalities and added to the tax bills, so it must in the long run be borne by further applications made to the federal authorities. That is the position as I see it with respect to this matter.

So far as I am concerned, notwithstanding the evident and manifest difficulties in the way, having pointed out this situation I propose to support this measure, but I do so only after bringing to the attention of the House the inevitable consequences. It was a great English statesman who said that under our modern democracy if one was right he could never afford to say so, because that invited a certain situation which brought about a great many difficulties. I will not elaborate the statement, but some day I will read the exact words to the House, because I think they will be of interest.

This I will say, however: If free discussion in parliament is to be subjected to the misrepresentations which took place with respect to the attitude of the Conservative party in this matter last fall, it will be most injurious to the maintenance of free institutions. Who will say that a discussion upon the measure

such as took place last year was not a benefit? Even the Prime Minister himself was good enough to felicitate the hon. member for West Calgary for the observations and contributions he made during the debate, and yet what happened? Someone goes out in the hustings, to a constituency containing a lot of labouring men, and into the railway shops, where he reads two or three lines from a speech. That is what the hon. member for Comox-Alberni (Mr. Neill) did on the fifteenth of this month, when he read a few lines and said the hon. member for West Calgary was opposed to the measure. My constituents know better, but the public is sometimes not so well informed. Someone holds an official position for a very brief time, as can easily happen under our institutions, and the public attach more importance to what he says than otherwise would be the case. I do think that in the interests of fair discussion it is not desirable that that habit or practice should continue. It reminds one of the advertisements sometimes seen in newspapers, wherein someone says that someone else has said very offensive things which are not true. It seems to me that these things must be remedied, because if we cannot discuss these matters on their merits and demerits we will injure the very institutions we are attempting to assist. That is the reason I again pointed out to-night the real situation with respect to this matter. Right Hon. Arthur Meighen was charged with saying, in Vancouver, that this was a sham, but what he did say was quite different. In elaborating his speech, he said that in so far as giving a single dollar to a single Canadian man or woman by virtue of this legislation, it was a sham.

Mr. THORSON: May I ask the hon. member a question? Am I correct in saying that the attitude of the Conservative party in the last election on this issue was that there should first be a conference with the provinces; that they should agree upon a scheme of co-operation, and that after that agreement was arrived at the Dominion should proceed with this scheme of old age pensions?

Mr. BENNETT: Answering the question of the hon. member for Winnipeg South Centre (Mr. Thorson), I will say first that in the last election it was the policy of the Conservative party that there should first be a conference. They pointed out that this parliament had unanimously agreed there should be a conference, and that the report dealing with it was put upon the table of this House. That report can now be read by the hon. gentleman if he so desires. That is the answer to number one. Then, the gentlemen who had the matter in hand had agreed that it was highly desirable that a conference should be held; the committee had considered the matter and provision was made in the report itself whereby members of the conference who were not elected to the House might come back to the conference, and upon further consideration of the matter by the conference legislation would be predicated. That was the policy of the Conservative party. What has the hon. gentleman (Mr. Thorson) had suggested to him that he should now ask?

Mr. THORSON: I am reading from a report of the speech delivered by the Right Hon. Mr. Meighen at Vancouver on August 17:

> Meighen declares himself at Vancouver Meeting
>
> The meeting closed with what Meighen himself described as "the most strenuous day of my life", and it closed his speaking program on the Pacific coast. He indicated his intention: First to call a conference between the Dominion and provincial governments to work out an old age pension scheme along the lines of the recommendations of a special parliamentary committee.

Was that the policy of the Conservative party in the last election?

Mr. BENNETT: The hon. member has again asked a question, thanks to the slip which was passed to him so ostentatiously a moment ago, and he has read a speech with which he is not very familiar representing that Mr. Meighen's policy was that there should be a conference between the provinces and the Dominion in furtherance of the report of the select parliamentary committee. That was his policy. Now that is the Conservative policy which was not accepted, we will say, by the people, and this government is now dealing with the matter on its own responsibility by placing upon the statute books an act that imposes upon the will of each legislature the will of this parliament if they accept it.

Mr. THORSON: May I ask the hon. member—

Mr. BENNETT: My hon. friend can make his speech afterwards.

Mr. THORSON: May I ask the hon. member another question?

Mr. BENNETT: The hon. gentleman can make his speech afterwards. I do not propose to be catechized by the hon. gentleman, eminent though he may be as a cross-examiner.

Mr. THORSON: Am I to take it that the hon. member for West Calgary does not wish to answer the further question which I desire to ask him?

Mr. BENNETT: That is a very cheap form of endeavor to get a reputation for high courage.

Some hon. MEMBERS: Oh, oh.

Mr. BENNETT: The hon. gentleman read a speech of Mr. Meighen's upon which he asked me a question, and he asked two others. I think I have acted fairly in answering them. I think that if there is any member of this House who is willing to answer questions it is myself, but I do not propose to be catechized or cross-examined by any counsel in a case of this kind.

I would say that at the moment we have placed our views as to this legislation before this parliament and the Canadian people. Until every legislature in Canada acts each province will or will not have an old age pension depending upon the action of that legislature, and there may be one province that has and another province that has not. That is the reason the suggestion was made by the leader of the opposition the other evening. I am most desirous there should be placed upon the statute books of this country a measure that is workable and useful. There are two considerations to be borne in mind. First of all we must consider those who are coming up to manhood and growing older, and secondly the class that can no longer contribute. I believe in a contributory system—I have never hesitated to say that I believe in it. The father of the old age pensions scheme of England said that without it you are doing a great injury to the very people whom you would benefit. I believe that; my reading induces me more and more to believe it is right. When the hon. member for Comox-Alberni (Mr. Neill) speaks of annuities I venture again to point out what I referred to last year and it is this—that a small contribution made by men from month to month and week to week that will ensure them an annuity at sixty-five or seventy years of age is one of the most desirable things that you can have in any country. It is true that the Australian system has been changed, and they have now gone on a contributory basis. The Department of Labour furnished last year a little memorandum showing what each country in the world was doing. I suggest to the hon. minister that it might be desirable to reprint it in order that the House might have the benefit of that information. I did not have that information at the time I made a few observations last year based largely on information collected from the report of the select committee appointed in Massachusetts, and from the documents that were laid before the English House when the last measure was being considered by them.

Now, it might be well to look on the political side of the matter. You know what took place in Australia under conditions such as these. You are going to have a system that is not contributory. An election is coming on. They go out and say that more money should be given, that $20 is not enough. "Well, we will give them $25 if we get into power," says the hon. member for Regina.

Mr. DUNNING: Pardon me—

Mr. BENNETT: My hon. friend is not premier yet. I was simply pointing out what might be said with respect to such a matter as this. That is the position. That is what happened in Australia. Each party tried to—

Mr. HEAPS: May I ask my hon. friend a question?

Mr. BENNETT: Certainly.

Mr. HEAPS: Can the hon. gentleman give any evidence of the statement he has just made? Because I understand the increase in the old age pension in Australia came about as a result of the report of a commission which inquired into the amount being given.

Mr. BENNETT: If my hon. friend will refer to the Statesmen's Year Book it will give him, I think, the information I took from it and which I quoted last year. I do not happen to have it with me; it is among my papers upstairs. A commission was appointed but the commission had no power to pay money, and so the contending parties, the government and the opposition, were endeavouring to outbid each other in the matter of old age pensions, and in this particular election we have an illustration—

Mr. HEAPS: Is it not a fact though that the commission recommended an increase in the old age pensions in Australia?

Mr. BENNETT: The commission did that, but the general election had no reference to the commission, and the contending leaders were intending to secure the popular vote by promising to make an increase in old age pensions. Those are the facts. Consider what would happen in Canada.

Mr. THORSON: The hon. member seems to be willing to submit to cross-examination from other members.

Mr. BENNETT: This interruption is wholly out of order. The hon. gentleman has still something to learn, great though he may be. I only suggest to him that I have answered three questions of his, and when I declined to submit myself to cross-examination it was not because I in any sense feared the astuteness of that cross-examination or any of his questions. The hon. member for North Winnipeg (Mr. Heaps) in asking me a question with respect to the Australian system, was endeavouring to correct what he conceived to be a misunderstanding of the situation on my part. That, I think, is the correct way to put it. But I desire to point out the political possibilities of a situation such as this. That is what happened in Australia where a non-contributory system was abandoned and the contributory system insisted upon. Because where you have each individual making some contribution he begins to realize what I endeavoured to say yesterday, that all contributions by the state mean taxation, and an expenditure of the money of the people, great or small, poor or rich. That is what I desire to make clear to this House. What I rose to say was I think it is highly desirable that we should have at least not to assert that men in this House oppose measures which they supported merely for the sake of getting a little support from those who are vitally affected. I suffered from it; other hon. members suffered from it. I have the papers; I was going to use them, but I will not engage in acrimonious discussion in respect to the matter because life is too short and the affairs of state too important for that. But the fact is that an effort was made during the last election to lead the people to believe that the Conservatives were opposed to an old age pension scheme and in some cases the effort succeeded.

Mr. DUNNING: But they defeated it.

Mr. BENNETT: Once more the hon. member for Regina does himself a great injustice. There is a very old saying: "One may smile, and smile, and be the villain still." The villainy in the piece in this incident is to have the people believe that because the House passed this measure without a dissenting voice and because in another place adverse action was taken not wholly by that party, the Conservatives defeated the measure. The Conservative party did not defeat the measure. It has never defeated such a measure and, so far as I know, it never will. We on this side of the House are a unit in supporting the measure and, so far as I know, from the observations that have been made, the Conservative party will continue to be in that spirit and to support the measure.

Mr. DUNNING: Can my hon. friend name one Conservative member in another place who supported the measure?

Mr. BENNETT: The leader of the Conservative party during the recent parliament, Senator Robertson, supported the measure.

Mr. DUNNING: I think the Parliamentary Guide describes Senator Robertson as a Labour member.

Mr. BENNETT: That may be, but he was a member of a Conservative administration in 1921 and one of the leaders in the Senate. The Parliamentary Guide has described the Minister of Railways by various titles in days gone by.

Mr. DUNNING: All correct.

Mr. BENNETT: Well, he is a chameleon indeed. That is all that may be fairly said.

Mr. MANION: We have lots of Labour members supporting us.

Mr. BENNETT: Surely and we shall have more. That is all I have to say. I rose merely for the purpose of endeavouring to refute the observations that were published throughout the country, and out of fairness to those to whom I have been largely indebted for support in days gone by and whose confidence I hope to continue to receive in days to come, I wish to go on record as objecting to being thus misrepresented in common with hon. members who sit to the left of the Speaker at this time.

Mr. ELLIOTT: I quite agree with my hon. friend that in the conduct of discussions of this kind, not only in the House but in the country, as nearly as possible an accurate report of what is said by members on the other side should be given. As my hon. friend referred particularly to discussions that took place in Ontario, and as it was my privilege to attend a number of meetings in that province, I want to say that, so far as I was able to hear the discussions in Ontario, I heard no misrepresentations whatever. I do not know the riding to which the hon. gentleman refers.

Mr. BENNETT: I have not in my desk but I have upstairs the papers giving the report of a public meeting at which the Minister of Railways was present, and at which

the statement was made that I had opposed the old age pension legislation. I said that that was either maliciously untrue or ignorantly made, and then a long newspaper advertisement appeared.

Mr. DUNNING: I never made any such statement.

Mr. BENNETT: The hon. member was present.

Mr. DUNNING: I was not present.

Mr. BENNETT: Then I will say that the newspaper reported the hon. gentleman as being present.

Mr. SANDERSON: Perhaps I can throw some light on the situation. I believe the hon. member for West Calgary (Mr. Bennett) is referring to me and, if he is, he may say so. At a meeting in South Perth, at which the Minister of Railways (Mr. Dunning) was present, I stated that the hon. member for West Calgary spoke against the old age pension resolution as brought into the House of Commons last March. I repeat that to-night on the floor of this House and I am prepared to defend the advertisement to which he has referred and to speak of that later. I have the advertisement with me and if I may be permitted to-night, I will read the advertisement and I will take back nothing I said in it.

Mr. BENNETT: In that case we shall have a really good time here between now and one o'clock. I will deal with the hon. member.

Mr. SANDERSON: All right. Do not think I am afraid of you.

Mr. ELLIOTT: As regards the discussions which took place in Ontario and which it was my privilege to hear, there were no misrepresentations whatever. I want to say to my hon. friend and to other hon. gentlemen on that side of the House that I am glad now to know that both sides are unanimously in favour of this measure. We have at last reached common ground.

Mr. BENNETT: We were there last year.

Mr. ELLIOTT: The people did not think so.

Mr. BENNETT: Exactly.

Mr. HANSON: That is what you told them.

Mr. ELLIOTT: I want to say to my hon. friend and other gentlemen on the opposite side who have complained of being misrepresented or misunderstood, that they may have been misrepresented. I take it when they say that they were misunderstood, they were correct in so saying. But the people of the country, when they were voting last fall, did not think they were misunderstanding the attitude of certain hon. gentlemen in regard to this measure at the time it was going through this House. There is no doubt the bill as presented to the House last year and as presented to the House now is a certain, definite, clearly defined measure. We are either in favour of it or we are opposed to it. If we are going to conjure up all kinds of possibilities that may arise, for instance, if one province does not accept it, or if another province does not accept it, I take it for granted that we are opposed to that measure. That must be a fair inference. You have just the one measure before you, and you either take it or refuse it.

Mr. LADNER: Surely when the principles of a bill are submitted to the House we are not faced with the sole issue of being for it or against it. The bill is brought in for the consideration of parliament in order that the experience and judgment of hon. members may be given to the government and to the minister in charge so that such corrections may be made as may be deemed advisable. For my part I would not want to be put into the category of being opposed to it or for it because I made certain constructive suggestions.

Mr. ELLIOTT: I quite agree that my hon. friend does not want to be.

Mr. LADNER: But I shall be.

Mr. ELLIOTT: The discussion is to ascertain what the views of hon. members are.

Mr. MANION: And then if they ask any questions they are said to be opposing the measure.

Mr. ELLIOTT: Not at all.

Mr. MANION: That is the attitude my hon. friend is taking now.

Mr. ELLIOTT: No. I take as being absolutely sincere the statement of hon. gentlemen when they say that they are in favour of the measure. I do not believe the interests of the measure or of either party are advanced by referring to any proposed legislation that comes before the House as a sham or a subterfuge or anything of that kind. Not only are we wasting time and wasting money by assuming that attitude, but I do not think it is the proper attitude for hon. members to assume towards a measure that is introduced into this House. I say that no matter from

what side that kind of criticism comes. I know it refers particularly to what I think is a misapprehension in regard to what the scheme really is. The hon. member for West Calgary (Mr. Bennett) says that we are trying to impose upon the provinces the will of this House. Section 4 states that every agreement made pursuant to this act shall continue in force so long as the provincial statute remains in operation or until after the expiration of a certain period. Then clause 5 provides that before any agreement is made pursuant to this act the Governor in Council shall approve of the scheme.

Mr. BENNETT: Then it says what the scheme shall be.

Mr. ELLIOTT: Yes. It says: "shall approve the scheme for the administration of pensions proposed to be adopted by the province".

Mr. BENNETT: Yes, and gives the details.

Mr. ELLIOTT: There is no idea of coercion, of any one party imposing its will on the other. This is simply an offer by the Dominion, if the bill is passed as it was last year, to contribute in a particular way a certain amount. The representatives of the provinces and of the Dominion meet, discuss the proposal, and if they can come to an agreement, the province accepts it. There is no coercion. There is no imposing our will on the provinces, and I believe the very fact that certain provinces have already indicated their intention—

Mr. BENNETT: They have not passed their statutes yet.

Mr. ELLIOTT: No, there is no statute for them to go on yet, and that is the reason why it is so essential that we should make a start by getting something absolutely binding on this House and upon this Dominion which they can consider and, if acceptable to them, adopt. It was not my intention to enter into a discussion, other than to call my hon. friend's attention to the fact that in the campaign which took place, so far as the meetings I attended are concerned, it was not necessary to discuss old age pensions because the people had come to the conclusion themselves, so far as I was able to gather, as to which party was the real friend of old age pensions. I am glad now to find that both parties are the friend of this measure. The criticism of my hon. friends opposite may have been misunderstood, but a great many people throughout the country did, I think, believe that they were not as sincerely favourable to the measure as—

Mr. MANION: They were helped to believe that by a lot of speakers on the other side of the House.

Mr. ELLIOTT: To whom do you refer?

Mr. MANION: I stated to whom I referred this evening, when the minister was not here.

Mr. ELLIOTT: I did not hear to whom the hon. gentleman referred, but so far as the meetings I attended are concerned there was no misrepresentation, and the people made up their minds accordingly.

I want to point this out to the House again. This is exactly the measure that was before the House last year, and the people of this country by their vote have made it clear, I think, that they favour a start being made along these lines. The measure is not perfect. Nobody thinks it will be, but it is a start; it will be adopted no doubt by several of the provinces, and once you get one or two provinces in, the others will no doubt feel that they are making a mistake and losing money by not adopting the scheme. I do say to my hon. friends that I think the interests of everybody who favours old age pensions, and particularly the people who are sought to be benefited by this measure, will be advanced by making a trial of it, and, if it is found to contain weaknesses which can be improved upon, coming back here to get them remedied. But I do think there is danger of my hon. friends opposite being misunderstood again if the criticism goes on to the length of taking up a great deal of time—

Mr. MANION: Half the time has been taken up by the other side of the House.

Mr. STEVENS: What is the minister doing now but delaying the committee? We were ready to stop.

Mr. ELLIOTT: I had no assurance of that. I am very glad to know the hon. gentleman is.

Mr. STEVENS: I have been sitting here since eight o'clock patiently listening to all that has been going on, and now we have the spectacle of a minister uttering a lot of provocative statements which parliamentary language will not permit me to characterize as I would like to, and we are expected tamely, to sit down and let this measure go through with the minister's final word.

It has been stated here time and time again, last year and this year, that we were wholly in favour of a workable scheme of old age pensions, but surely this parliament has not come to the pass where, to use the minister's own words—which I wrote down, we are "either for or against this bill"—we must either take a particular legislative proposal or leave it. Is this parliament reduced to the position that any minister of the crown can walk in here with a measure, lay it on the table, and then say to this honourable House—take it or leave it? Are we to be muzzled? Are we not to be permitted at least to scrutinize the language of the measure?

I have under my hand the full record of this House upon this question of old age pensions. I have here all the dates for the last fifteen years when this measure has been brought up, and in every instance it was brought up by a Conservative, until recent years, when the Labour party was represented in the House and it was brought up by them. In season and out of season for seventeen years I have supported in this House an old age pension bill. Long before my hon. friend ever entered the House, long before other hon. gentlemen over there entered who have been indulging in some rather extravagant language during this evening's session in attempting to castigate this party I supported and urged for an old age pension scheme. I have quotations here from Hansard where I questioned and urged and pleaded with the Hon. Mr. Murdock, a former Minister of Labour, to bring in an old age pension scheme. A committee was appointed, and my hon. friend from Wetaskiwin, formerly from East Calgary, took a very important part in its deliberations. We have in season and out of season—not the whole party, not every member, but a sufficiently large percentage of the party, speaking with some responsibility—urged for an old age pension scheme.

What we said to the government last year and what we say again this year is that in our opinion this proposal will not work satisfactorily, and because we are convinced of that we urged last year, and we have suggested again this year, that an effort should be made to have a measure that will be assured of success. The day I left Vancouver, Mr. Chairman, two elderly ladies—I should say they were seventy years of age—came to my office, and pleaded with me to do what I could for old age pensions. They did not know much about parliamentary practice. They had the idea that a member of parliament had some mysterious power that he could exercise to secure this measure. All I could say to them, and all that hon. members of this House have been able to say is: We will do our best to get a measure through. We are anxious to get that measure. We are told to-night by the Minister of Health—he is not in his seat at the moment—that this measure will be supported by all the provinces. Now I am going to quote the Minister of Agriculture. There has been a lot of quoting done here to-night, and this is what he said, as reported in the Vancouver Daily Star, a strong and respectable and reliable Liberal paper, in its issue of August 25th:

> Dealing with old age pensions Mr. Motherwell said the measure had met a sad fate at the hands of the Senate. He was sorry to say the Conservatives had obstructed the bill at all times.

Mr. MOTHERWELL: Hear, hear. What are you doing now?

Mr. STEVENS: There has been, I have noticed, during this sitting a good deal of hilarity and laughing over this matter, but I do not think it is a laughing matter at all, Mr. Chairman. It is a very, very serious matter. He went on to say:

> If the people have to wait until the provinces are united to co-operate with the Dominion in the operation of an old age pension, then we will not get any pensions during the present generation.

Mr. MOTHERWELL: Well?

Mr. STEVENS: I believe the minister is right, if we have to wait until the provinces co-operate with the Dominion under the terms of this bill, we will not have old age pensions for a generation. That is my opinion and I expressed it last year. It is the opinion, Mr. Chairman, that we have been trying to impress upon the minds of the ministry. We stated through my leader at the opening of this session that if we had an old age pension bill that was under the jurisdiction of the Dominion we might be certain it would be successfully applied, but if as the Minister of Public Works now says, we have either to take this bill or leave it—in other words if we are to be branded as opposed to the whole scheme of old age pensions if we criticise this bill—then we are prepared to accept it, but to do so after pointing out to the minister that in our opinion it will not achieve what it is pretended to the people it will achieve, namely, pensions for the aged. We are telling the minister that, and I hope that as the years go by and as hundreds, yes, thousands of people in this country are disappointed at not being able to receive a pension under this bill, it will be remembered, just as keenly remembered as some other statements of ours that we have made in this

parliament, that we warned parliament it would not work successfully as a measure.

Now there are clauses in the bill I would like to discuss. There are clauses which obviously are not fair. There is one clause in particular that has been cited here to-night, and I think if the people of Canada fully realized it they would not for one moment support the bill. I refer to the clause providing that the maximum pension shall be $240, and if any person applying for a pension is in receipt of an income in excess of $125, the increase, whatever it is, shall be deducted from that pension. Let me put it in plain, simple language; as one of the ministers said a minute ago, it means that if any applicant for a pension of $240 happens to have a meagre annual income of $200, he will not receive $240, but will receive $240 less $75, namely, $165. In other words it means that any person who, with the pension, can gather together $365, that is all he will get, including the pension. The thing is preposterous on the very face of it. There are other features of the bill that might very properly be criticised, but if we criticise it the minister says we are against the bill.

Mr. DUNNING: Not at all.

Mr. STEVENS: If we offer suggestions we are against the bill and we must be branded through the country as against the principle. We are either for it or against it. I am wholly in favour of the bill in so far as it deals with the principle of old age pensions, but I say again that the measure as now presented and presented in the House last year will not achieve the result which the minister said it would achieve.

Mr. ROBB: Since the opening of the session the House has made very fair progress and the government appreciate the co-operation of hon. members opposite. The question now before the House involves the principle of an old age pension. I gather from the debate to-day that the House is practically unanimous on this measure. We have reached the time in Canada when we might have an old age pension. This measure involves the principle of an old age pension. After the resolution has been passed we will introduce the bill, and we can debate details later. I am told that this is the third time this resolution has been before parliament this session. We have debated this question all afternoon. It is now fifteen minutes after eleven when I think we should all be getting home and going to bed on a Friday night. If hon. members are prepared to allow the resolution to go through so that the bill may be introduced and we will learn what the measure is I think it would be wise. If further debate is desired then I shall ask my colleague to move that the committee rise, report progress and ask leave to sit again.

Mr. GUTHRIE: I think the minister will agree with me that the time which has been occupied in the discussion of this measure has not been lost, as it will shorten the time which we usually take in the discussion of a bill when in committee after the second reading. It matters very little, I think, so far as the consumption of time is concerned whether the discussion takes place now or on the second reading of the bill. It is not likely to take place again. I think the discussion has been very useful, notwithstanding the rather provocative speeches by the three ministers of the crown who have spoken at great length to-night on the measure. The discussion on this side of the House has been entirely sympathetic.

Mr. McLEAN (Melfort): Not at all provocative.

Mr. GUTHRIE: Not at all provocative, and I think we made it as clear as it could be made that that is the position we occupy. We are prepared to accept and pass this measure, not as a perfect measure at all, but, as I said a day or two ago, it is apparently the only thing the government is willing to give, and it is on that condition we are willing to pass it. I have no objection to the committee rising and reporting this resolution, but I cannot agree that there will not be further discussion when the bill is in committee of the whole.

Mr. ROBB: We expect that.

Resolution reported, read the second time and concurred in. Mr. Heenan thereupon moved for leave to introduce Bill No. 70 respecting Old Age Pensions.

Motion agreed to and bill read the first and second times.

Mr. HEENAN: I move that the House go into committee on the bill.

Mr. STEVENS: Go into committee to-night and report progress immediately.

Mr. GUTHRIE: Go into committee at the next sitting of the House.

Mr. ROBB: Very well.

On motion of Mr. Robb the House adjourned at 11.20 p.m.

Monday, February 21, 1927

The House met at three o'clock.

PRIVATE BILLS

FIRST READINGS

Bill No. 67 (from the Senate), respecting The Quebec, Montreal and Southern Railway Company.—Mr. Dubuc.

Bill No. 68 (from the Senate), to incorporate The Detroit and Windsor Subway Company.—Mr. Odette.

Bill No. 69 (from the Senate), respecting Dominion Electric Protection Company.—Mr. Marcil.

Bill No. 71, respecting The Alberta Railway and Irrigation Company.—Mr. Jelliff.

Bill No. 72, respecting a certain patent of Enos Henry Briggs.—Mr. McDiarmid.

Bill No. 73, respecting the Canadian Pacific Railway Company.—Mr. Spencer.

Bill No. 74, respecting The Canadian Transit Company.—Mr. Odette.

Bill No. 75, respecting The Essex Terminal Railway Company.—Mr. Robinson.

Bill No. 76, respecting La compagnie du chemin de fer de Colonisation du Nord.—Mr. Parent.

Bill No. 77, respecting The Manitoba and North Western Railway Company of Canada.—Mr. McPhee.

Bill No. 78, respecting The Montreal, Ottawa and Georgian Bay Canal Company.—Mr. Chevrier.

Bill No. 79, to incorporate Niagara Falls Memorial Bridge Company.—Mr. Pettit.

THE CIVIL SERVICE

RESTORATION OF EXCLUDED POSITIONS

Mr. E. J. GARLAND (Bow River) moved for leave to introduce Bill No. 80, respecting the Civil Service.

Hon. ERNEST LAPOINTE (Minister of Justice): Explain.

Mr. GARLAND: This bill proposes to place under the operation of the Civil Service Act and under the jurisdiction of the Civil Service Commission those particular departments now excluded, such as the Department of Soldiers' Civil Re-establishment. It also proposes to restore to the jurisdiction of the commission the majority of the 13,000 or more positions excluded by orders in council of recent years.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

*THE DOHERTY ACT

Mr. CHURCH:

1. In view of the vote in Ontario against the Ontario Temperance Act and the introduction of a new act will the government introduce any legislation this session to repeal what is commonly known as The Doherty Act, Revised Statutes of Canada, 1916, chapter 19, as amended in 1917, c. 30—1919, chapter 66, and 1919—2nd session, chapter 21?

2. If no legislation will be introduced by the government, will the government name a time when a short discussion of this matter can take place before the House prorogues?

Hon. Mr. LAPOINTE: In answer to question No. 1, the matter has not been considered. In reply to the next question the matter may be discussed on the initiative of any member of parliament in conformity with the rules of the House.

CENSOR OF PUBLICATIONS

Mr. IRVINE:

1. Is there an official whose duty it is to censor publications circulated in Canada?

2. If so: (a) what is his name; (b) what is his title of office; (c) under what authority does he act?

3. What are the standards under which publications are banned?

4. What publications have been banned since 1920?

Hon. Mr. EULER:

1. No, but certain publications are prohibited transmission in the mails under paragraph (d) sub-section 1 of section 9 of the Post Office Act as amended in 1913. Under item 1201, schedule "C" of the customs tariff which reads as follows:

> Books, printed paper, drawings, paintings, prints, photographs or representations of any kind of a treasonable or seditious, or of an immoral or indecent character.

2. & 3. Answered by No. 1.

4. It is not deemed desirable to publish lists of prohibited works as it would give them undue publicity.

CUSTOMS COMMISSION—DAILY EXPENDITURE

Mr. POWER:

What is the approximate daily expenditure of the commission appointed to inquire into Customs and Excise department including travelling expenses, hotel expenses, fees, salaries, clerical or accounting assistance?

Hon. Mr. ROBB:

$1,500.

CUSTOMS COMMISSION—COST TO DATE

Mr. POWER:

1. What has been the cost to date of the special commission to inquire into the Customs and Excise department?

2. What fees and expenses are being paid to Honourable N. W. Rowell, and how much has been paid to him to date?

3. What fees and expenses are being paid to Mr. Calder, and how much has been paid him to date?

4. What fees and expenses have been paid to any other attorney?

Hon. Mr. ROBB:

1. $58,607.65 to December 31st, 1926.

2. $200 a day, $20 a day living allowance and actual transportation expenses; $11,503.51 paid to date.

3. $100 a day, $15 a day living allowance and actual transportation expenses; $905.32 paid to date and $10,000 by way of advance.

4. W. F. O'Connor, $6,288.71; R. B. Law, $3,500.92; Gordon Lindsay, $634.63.

FRUIT AND VEGETABLE COMBINE

Hon. Mr. STEVENS:

1. Having reference to the statement of the honourable the Minister of Labour on February 10th, page 175 of Hansard, "with respect to the fines imposed in connection with the combine in the distribution of fruit and vegetables in western Canada".

2. Has the government or any minister or department of the government been approached by any representative of the Nash interests or any of the parties fined, requesting a remission of the whole or any part of the fines imposed by the courts?

3. If so, will the government entertain such request, and if so, on what principle would such remission be considered?

Hon. Mr. HEENAN:

2. No.

3. Answered by the reply to No. 2.

CANADIAN NAVY

Mr. BLACK (Yukon):

1. Of what ships does the Canadian navy consist?

2. Where is the Canadian navy?

Hon. Mr. RALSTON:

1. Destroyers: H.M.C.S. "Patriot," H.M.C.S. "Patrician;" minesweepers: H.M.C.S. "Thiepval," "Armentieres," "Ypres" and "Festubert."

2. "Patriot," "Ypres" and "Festubert" based at Halifax, N.S.; "Patrician," "Armentieres" and "Thiepval" based at Esquimalt, B.C.

* SALE OF SHARES ACT

Mr. ADSHEAD:

Has the government any intention or are they making any arrangement whereby companies receiving their charters under the Dominion government will come under the "Sales of Shares Act" or be subject to the Utilities Commission in the province of Alberta?

Hon. Mr. LAPOINTE: Representations have been made to the government with regard to this matter and they are being considered.

* SENDING TROOPS TO CHINA

Mr. ADSHEAD:

Was the Canadian government in any way consulted before the British government had decided to send troops to China or was our government just notified that military action was going to be taken?

Hon. Mr. LAPOINTE: The action of the British government in this connection was taken on its own initiative and without consultation with this government.

ADVANCES TO CANADIAN BANKS

Mr. SPENCER:

1. How much was advanced since July 1926, against securities by the Treasury Board of Canada to the Canadian banks under the Finance Act of 1923?

2. What percentage was charged for this service by the Treasury board?

Hon. Mr. ROBB:

1. Total advances since July 1, 1926, $123,850,000.

2. 4½% per annum.

IMPORTS AND EXPORTS

Mr. GOTT:

1. What were the total Canadian imports from the United States of America during the year 1926?

2. What were the total exports to the United States of America from Canada during the year 1926?

3. What were the total Canadian agriculture imports from the United States of America during 1926?

4. What were the total Canadian agriculture exports to the United States during the year 1926?

Hon. Mr. MALCOLM:

1. During the fiscal year ended March 31, 1926, total imports into Canada for consumption from the United States were $609,719,637.

2. During the fiscal year ended March 31, 1926, exports from Canada to the United States were:

Canadian produce	$ 474,987,367
Foreign produce	10,964,868
Total	$ 485,952,235

3. During the fiscal year ended March 31, 1926, imports into Canada for consumption from the United States, of articles such as are produced on Canadian farms were:

Field crops—

Raw materials	$ 26,105,373
Partly manufactured articles	2,016,308
Fully or chiefly manufactured articles	8,795,374
Total	$ 36,917,055

Animal husbandry—	
Raw materials	$ 14,133,327
Partly manufactured articles	5,192,852
Fully or chiefly manufactured articles	8,812,247
Total	$ 28,138,426

During the same period imports from the United States of farm products such as are not produced in Canada were:

Field crops—	
Raw materials	$ 75,560,037
Partly manufactured articles	12,592,115
Fully or chiefly manufactured articles	35,441,111
Total	$ 123,593,263
Animal husbandry—	
Raw materials	$ 3,214,475
Partly manufactured articles	127,233
Fully or chiefly manufactured articles	4,891,591
Total	$ 8,233,299

4. During the fiscal year ended March 31, 1926, exports of Canadian produce to the United States of articles which, in their original state, were produced on Canadian farms were:

Field crops—	
Raw materials	$ 42,028,356
Partly manufactured articles	85,137
Fully or chiefly manufactured articles	23,186,262
Total	$ 65,299,755
Animal husbandry—	
Raw materials	$ 30,672,093
Partly manufactured articles	6,502,684
Fully or chiefly manufactured articles	3,093,044
Total	$ 40,267,821

During the same period, exports to the United States of articles based on farm products not such as are produced in Canada were:

Field crops—	
Raw materials	$ 2,121
Partly manufactured articles	542,827
Fully or chiefly manufactured articles	1,067,747
Total	$ 1,612,695
Animal husbandry—	
Raw materials	....
Partly manufactured articles	....
Fully or chiefly manufactured articles	$ 20,679
Total	$ 20,679

PELEE ISLAND CABLE

Mr. GOTT:

1. What expenditure was made for repairs for the Pelee island cable during the year 1926?

2. How many times was the cable repaired in 1926?

3. What was the cost on each occasion?

4. Has there ever been representation made to the department to run the Pelee island cable from Kingsville to the island? If so, by whom?

5. What consideration did the proposal receive?

6. How much would it cost to run a cable from Kingsville to Pelee island—approximate?

7. If this change would insure the islanders better service the year round, would the department be adverse to laying same?

8. Has the department had under advisement plans to improve communication between Pelee island and the mainland?

9. If not, why not?

10. If so, what proposal and plans are under way?

Hon. Mr. ELLIOTT:

1. $1,165.20.

2. Three times.

3. $456.90; $88.65; $619.65.

4. Yes.

(a) By Mr. Thomas Rowley.

(b) Pelee Island Municipal Telephone Company forwarded by Mr. Eccles J. Gott, M.P.

5. No action taken.

6. $5,000.00.

7. Advisability of new cable route under consideration.

8. Yes.

9. Answered by No. 8.

10. Improvements either by using wireless or by additional cable under consideration on suggestion of Mr. Thomas Rowley.

STEAMSHIP MADELINE A.

Mr. ERNST:

1. Does the customs service own or charter the steamship Madeline A, employed in the customs preventive service on the coast of Nova Scotia?

2. If this steamship was purchased, what was the amount of the purchase price and to whom was it paid?

3. If chartered, who is the owner and what are the terms of the charter party?

4. What amount has been paid to such owner to date?

5. When did the Madeline A enter the customs preventive service and upon whose recommendation?

6. Were tenders called for before the purchase or charter of the Madeline A?

7. What are the type, size, tonnage and maximum speed of the Madeline A?

8. What seizures have been made by the said steamship to date?

9. Is the Madeline A suitable for employment in the customs preventive service and seaworthy?

Hon. Mr. EULER:

1. Madeline A. is chartered by the Department of Customs and Excise.

2. Answered by No. 1.

3. The vessel is chartered from Dennis D. LeBlanc, Wedgeport, N.S., at $12.00 per day for each day in commission for Department of Customs and Excise.

4. $4,677.00.

5. September 21, 1925—The Hon. the Minister of Customs and Excise.

6. No.

7. Length 64 feet; breadth 18.2 feet; depth 7 feet, tonnage, gross 39, registered 27, speed 8 knots per hour.

8. Preventive service customs seizures numbers: 6917—1 five gallon keg of rum; 6961—A Studebaker automobile and a five gallon keg of rum; 7449—Auxiliary schooner R. L. McKenzie, detained; 7761—19 bottles of liquor; 7813—1 bottle of rum; 7830—1 bottle of liquor.

In addition to the above seizures effected by the master of this vessel he instituted prosecution proceedings in four instances.

9. Yes, for the work upon which she has been engaged.

INDIAN RESERVE—COUNTY OF LUNENBURG

Mr. ERNST:

1. Is there an Indian reserve at Scarsdale or New Germany, in the county of Lunenburg, Nova Scotia?

2. If so, how many persons reside on the reserve and how many such persons are Indians?

3. What are the names of the Indians residing thereon, if any?

4. What sums have been expended during the fiscal year 1925-26 and 1926-27 upon persons living on such reserve for, (a) medical attention; (b) schools; and (c) other purposes?

Hon. Mr. STEWART:

1. Yes.

2. Thirty. It is reported that no persons who can legally be classed as Indians reside on the reserve.

3. Answered by No. 2.

4. 1925-26: Schools, $700.00; relief, $143.85; medical, $50.00—1926-27: Schools, $590.19; relief, $72.37; medical, $37.50; roads, $49.85.

UNOPPOSED MOTIONS FOR PAPERS

ORIGINAL TREATY BETWEEN HIS MAJESTY AND SIX NATIONS INDIANS

Mr. SMOKE:

1. For a copy of the original treaty concluded between his late Majesty King George III and the band of Indians commonly known as the Six Nations, providing for a transfer to Canada of the said Six Nations Indians, and the allotment to them of certain lands in what is now the province of Ontario.

[Mr. Ernst.]

2. If not included in the original treaty, a copy of all subsequent treaties or other documents, showing the terms upon which said lands were to be held by or for the Indians and the particulars of the location and extent of said lands.

3. A copy of all treaties or other documents altering or modifying the terms of the original treaty.

4. A financial statement showing all moneys received from time to time by the Dominion of Canada, or by the former province of Canada, on account of the Six Nations, the dates of receipt, the considerations for which the same were received, and the disposition made of such moneys from time to time.

5. A statement showing what moneys or other properties the Dominion of Canada or the government or any department thereof now holds in trust for or on account of the Six Nations Indians, how these moneys are invested and for what purposes the same are held.

Hon. CHARLES A. STEWART (Minister of the Interior): The motion is quite in order and quite acceptable, with the exception that we may not be able to furnish the information requested from provincial government. We will, however, furnish everything that is in the hands of the Dominion government.

APPOINTMENT TO BABINE INDIAN AGENCY

Mr. BRADY:

For a copy of all letters, telegrams, reports, and other correspondence or communications between the government of Canada or any member thereof or their deputies or the Civil Service Commission or the officials thereof or any other person or persons or political organizations relating to the appointment of a farm instructor and Dominion constable for Babine Indian agency in 1926.

VANCOUVER HARBOUR—DISMISSAL OF WALTER H. KIRCHNER

Mr. SPENCER:

For a copy of all letters, telegrams, reports and other correspondence or communications between the government of Canada or any member thereof or their deputies, or the Civil Service Commission or the officials thereof, or any other person or persons, or the Vancouver harbour commissioners, relating to the dismissal of Walter H. Kirchner from the employ of the Vancouver harbour commissioners.

CANADIAN NATIONAL RAILWAYS—OPERATING POSITION

Hon. Mr. MANION (For Hon. Mr. Stevens):

For a return showing decision of the railway commission made in reply to the application of H. J. Symington on behalf of the Manitoba government as to whether the operating position of the Canadian National Railway system

was to be considered in the present general rates investigation now going on before the Board of Railway Commissioners, said decision having been made during the last summer months.

RETURNED SOLDIERS—CIVIL SERVICE APPOINTMENTS

On the Orders of the Day:

Mr. W. K. ESLING (West Kootenay): I desire to ask the Minister of Soldiers' Civil Re-establishment two questions. First, is the minister aware that the preference clause for returned men is being disregarded in West Kootenay?

Hon. J. H. KING (Minister of Soldiers' Civil Re-establishment): I should be glad to have more information on the subject of the question asked. If my hon. friend has information of that kind and will bring it to my attention, I will be glad to have it inquired into.

Mr. ESLING: If I hand the minister two specific cases of such disregard in writing will he see that the disregard is remedied?

Mr. KING (Kootenay): I will be glad to make inquiry into the matter.

Mr. ESLING: And see that it is remedied?

Mr. KING (Kootenay): Yes.

IMPORTATION OF SCOTCH MINERS

On the Orders of the Day:

Mr. A. A. HEAPS (North Winnipeg): I wish to ask the Minister of Labour or the Minister of Immigration and Colonization if the attention of either has been drawn to the fact that on the 14th of this month a carload of miners from Scotland were imported into the Glace bay district to work in the mines there, although a large number of miners in that neighbourhood are already out of work.

Hon. ROBERT FORKE (Minister of Immigration and Colonization): I may say that I have no knowledge of any such occurrence as stated by the hon. member.

Mr. HEAPS: I did not hear what the minister said.

Mr. FORKE: I have no information in regard to that matter.

Mr. HEAPS: I wonder if the minister will be good enough to look into the matter and let us have a statement?

Mr. FORKE: I think, possibly, that is a matter that the Minister of Labour might look into and see what is being done. However, I will be prepared to do the best I can.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): May I ask the Minister of Labour whether it is the policy of the government to permit industrial workers to be brought into Canada when there are idle men in this country?

Hon. PETER HEENAN (Minister of Labour): I think the hon. member is in the right church but in the wrong pew. I should like to have more information as to whether the government is lending any assistance to bringing these men over.

Mr. E. J. GARLAND (Bow River): Do you not know what the government is doing?

An hon. MEMBER: Who can answer?

Mr. HEENAN: If these men are coming over from the British Isles and paying their own fares, I do not know what the government has to do with it.

REVISION OF THE STATUTES

On the Orders of the Day:

Mr. W. G. McQUARRIE (New Westminster): May I ask the Minister of Justice whether the revision of the statutes has been completed, and if not whether there has been any change in the personnel of the commission having that matter in hand?

Hon. ERNEST LAPOINTE (Minister of Justice): There has been no change in the personnel of the commission. The work of the commission has been extended in order to include the legislation which will be passed by parliament at the present session. My hon. friend knows that many laws would have been placed on the statutes last year had not parliament been dissolved in July. It was suggested to me the other day by the hon. member for West Calgary (Mr. Bennett) that the legislation of this as well as of last session should be inserted in the revised statutes to be distributed and published. It would not be advisable to pursue any other course and we are hoping—as a matter of fact I know—that the revised statutes will be completed and given to the public after this session is over.

RETURNED SOLDIERS' INSURANCE

On the Orders of the Day:

Mr. J. A. CLARK (Vancouver-Burrard): On Friday I asked a question in regard to a recommendation made by the convention of the Canadian Legion, presided over by Sir Percy Lake, at a recent meeting at Winnipeg, in which they recommended that the returned

soldiers' insurance be re-opened for a period of one year. The Prime Minister on that occasion promised to bring the matter to the attention of the Minister of Soldiers Civil Re-establishment and give the information to-day.

Mr. KING (Kootenay): I regret that the matter was not brought to my attention, but I will make inquiry and give the information to-morrow.

RURAL MAIL ROUTES AND BOXES

On the Orders of the Day:

Mr. GROTE STIRLING (Yale): Can the Postmaster General inform the House as to whether there is any immediate prospect of a supply of mail boxes being available for rural routes?

Hon. P. J. VENIOT (Postmaster General): Has my hon. friend any particular route in mind or is he speaking generally?

Mr. STIRLING: I have one route in mind. I have seen the Postmaster General about it.

Mr. VENIOT: I may say there has been a call for tenders for rural mail boxes but the contracts have not yet been let. The department has received several applications for rural routes on which no definite action has yet been taken. Those applications are being considered by the department.

Mr. STIRLING: If I may go further, Mr. Speaker, I would point out that the rural route to which I refer, East Kelowna, as the Postmaster General will remember, has been agreed to.

Mr. VENIOT: I cannot hear my hon. friend.

Mr. STIRLING: I say that the rural route at East Kelowna, as the Postmaster General will remember, has been accepted, but it is still waiting for boxes and has been for months. My question was whether the Postmaster General sees any immediate prospect of these boxes being available?

Mr. VENIOT: The rural route of East Kelowna was not accepted by the present Postmaster General. I believe it was accepted, and we will be prepared to carry on just as soon as the contract for the boxes has been let and we can obtain them from the contractor. I expect to be able to let these contracts some time this week.

Mr. R. B. HANSON (York-Sunbury): While we are on this subject, may I ask the Postmaster General a question as to the policy of the government with regard to the extension of the system of rural mail service throughout the country. Is it the intention of the department to extend the system?

Mr. LAPOINTE: Surely this is not the class of questions that should be asked before the orders of the day are called.

Mr. SPENCER: With regard to the shortage of mail boxes for rural routes, I am given to understand by the department that that was the reason why many mail routes that had been passed by the department were held up. I would be glad to know if we can get some relief from the situation as we find it to-day with regard to promised rural routes.

Mr. VENIOT: I am sorry that I did not hear the whole of the question.

Mr. SPENCER: The question was somewhat answered by the promise of the minister a short time ago, but I would be glad to know when the various rural routes that have been promised by the department can be put into operation because I understand they are being held up on account of lack of boxes.

Mr. VENIOT: I will not say that all the routes to which reference has been made have been promised by the department, because I have not that information. Since I have been head of the department I have promised no mail routes, and those that have been promised and reported upon as feasible will likely be put into operation as soon as we can secure the mail boxes.

THE BUDGET

CONTINUATION OF DEBATE ON THE ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed from Thursday, February 17, the debate on the motion of Hon. J. A. Robb (Minister of Finance) that Mr. Speaker do now leave the chair for the House to go into committee of ways and means.

Mr. G. G. COOTE (Macleod): Mr. Speaker, in his opening remarks on Thursday last the Minister of Finance (Mr. Robb) made a very brief reference to the post-war depression which had been so evident in Canada in 1920 and 1921, and the gradual improvement in each budget brought down since he had been acting as Minister of Finance. He was becomingly modest in that he did not as usual give to his budgets the credit for all the improvements that had taken place. It is fortunate for the minister that he has held the portfolio of finance during the years in which the country

has been recovering from the effects of its post-war deflation, and in which an improvement has been taking place.

I feel that if we were to analyse the matter we would find that credit for the improvement must be given largely to the primary producers of this country. Canada is primarily an agricultural country; agriculture is her basic industry, and the agricultural class were the worst sufferers from the deflation in 1920 and 1921. The purchasing power of the farmers' dollar, in many cases, dropped below fifty cents as compared with pre-war times, yet our farmers never stopped producing. The acreage which they sowed to wheat would be an indication of the way in which they tackled their problem. Let me quote the acreage for a few years during this period:

Year	Acres
1921	23,000,000
1922	22,400,000
1923	22,671,000

It is true that a large number of farmers were forced off the land, but the acreage sown to wheat shows the spirit in which they tackled their problem. They did not rush to the government for relief or for a higher tariff. They tackled their problem in their own way.

I might remark in passing that the improved condition in which the Canadian National Railways stand to-day is largely attributable to the same cause. The credit for that should be given to the producers of this country who went ahead and produced, not knowing whether there would be a market for their product or at what price it might be sold. They were willing to take a chance on the world price. I am reminded of a statement made by Sir Thomas White when, as Minister of Finance he was floating one of our victory loans. He said that if this debt were ever to be repaid it would be from the top six inches of Canadian soil. The improved condition of our farmers, due largely to their own efforts, is responsible, to a considerable extent for the easy financing which the Minister of Finance referred to in his opening remarks. When the farmers are prosperous, business is good and government financing is made easy.

Many compliments have been handed to the Minister of Finance because of his brief and plain statement in the budget speech. It certainly is a very brief statement; it has every appearance of having been prepared in a hurry and with the idea of getting it through the House of Commons in a hurry. The minister neglected to tell us what the net debt of Canada is. There is no statement whatever in regard to our railway financing, and it seems to me that the budget is not complete without some reference to it. The minister should also have included in his statement details of the revenues from the different war taxes, such as sales tax, stamp tax and transportation tax, some of which he proposes to reduce. How is the House to know just what our revenue is likely to be next year unless we have some details? A statement of revenue showing an increase in our receipts of $11,900,000 is certainly an indication of improved conditions generally. The customs revenue shows an increase of $14,000,000. We do not know how much of this is due to increased valuation of goods for duty purposes and how much to a larger importation of dutiable goods.

I am certainly pleased that there is a reduction in our net debt and that in four years we have had a net reduction of $95,000,000. I am advised by the Department of Finance that our net debt to the end of the present fiscal year is estimated at $2,358,364,000. At the average rate of reduction which we have had for four years we may be able in the next one hundred years to retire our national debt, but it is hardly to be expected that that will be done if the present proposals are put into effect. It is the duty of the minister to consider and to present to parliament some definite plan for the systematic retirement of our national debt.

In comparing our revenue and expenditure, we should note that expenditure attributable to war is $162,922,000, or 45 per cent of our total expenditure. Revenue from war taxes amounts to $154,000,000. or $8,000,000 less than the expenditure attributable to war, or only 39.17 per cent of our revenue. The only changes which the minister proposes in this budget are reductions in war taxes, and these reductions are estimated at $27 000,000. The reductions in expenditure attributable to war are estimated at not more than $2,000,000, thus leaving our war charges at $160,000,000 with estimated revenue from war taxes of only $127,000,000, or 32 per cent of our estimated total revenue. I believe our war tax revenue should be sufficient to take care of expenditure attributable to war, but in this coming year apparently they will fall short by $33,000,000. If our former sources of revenue, namely customs duties and excise taxes, are sufficient to take care of ordinary and capital expenditures, and to reduce the national debt by $25,000,000, that is all that should be expected from them, and a reduction of five per cent in our customs tariff would afford more relief to business than the reduction which is proposed in the income tax.

So far as the minister's proposals for reduction of taxation are concerned, I congratulate him upon his action in removing the tax from notes and overdrafts particularly. I believe his cut in the sales tax is a good move, and that it will help business generally, but I do not know yet whether we can afford to make the reduction.

As to the income tax reduction, I cannot agree with the minister that the income tax should be reduced at all. I think the reduction which was made in our income tax last year was quite sufficient, and I would urge that the income tax be maintained at least at its present level. The proposal of a reduction of ten per cent appears to me to be the first move in the elimination of this tax. I remarked a moment ago that it would take, at the present rate, one hundred years to pay off our war debt, but at the present rate of reduction in the income tax, it will take only ten years for that tax to disappear. Personally I would like to see the income tax maintained until all the war debt is paid.

Just a few words in regard to the redemption of our debt. The minister shows a surplus on operations for the present fiscal year of $34,269,260. In another part of his address he states that the cash on hand from the previous year was $27,068,121, or a total of $61,337,381. Out of this amount he redeemed bonds in the present fiscal year amounting to $43,000,000, so it would appear that we will have on hand in cash at the end of this year $18,337,381. This is my own calculation; it is not mentioned in the minister's statement. Now there are maturing this year notes totalling $8,000,000, bonds due on November 1, 1927, amounting to $29,068,400, and bonds due on December 1, 1927, amounting to $63,437,250, or a total indebtedness maturing this year of $100,505,650. As I said before, we should have a cash surplus from the year 1926-1927 of $18,337,381 to apply on this amount, leaving the amount of $82,168,269 which may have to be refunded this year.

The proposal of the hon. member for West Calgary (Mr. Bennett) for refunding loans during the coming year at 4 per cent per annum is at least a very interesting one, and I think it should receive the careful consideration of the Minister of Finance and of the government. The speech of the hon. member for West Calgary was a very welcome change from the budget speeches which we have been in the habit of hearing from the front benches of the opposition during the last five years. His speech contained at least a new idea. My own suggestion for lowering the interest rate on the loans maturing this year would be to open a government savings bank at every money order post office in Canada, and to advertise that we will receive deposits bearing, if necessary, 3½ per cent interest, and that these deposits will have the full guarantee of the Dominion behind them. I am sure that if that were done the minister would have no difficulty in securing enough deposits at 3½ per cent to retire the bonds which mature this year.

Mr. ROBB: I am quite interested in my hon. friend's remarks, and I want to assure him that I am asking this question just for information because I know he is a student of economics. Would my hon. friend be good enough to favour the House with his own opinion of the proposals of the hon. member for West Calgary regarding insurance bonds.

Mr. COOTE: Not at the present moment. I have been busy enough trying to get up a budget speech of my own, without going very deeply into the proposal of my hon. friend for West Calgary.

The minister gives us no definite statement of the revenue he anticipates for the year 1927-28, except to say that the tax reductions will reduce the revenue as compared with this year by $27,000,000. The revenue for 1926-27 is estimated at $394,870,000. If that is decreased next year by the $27,000,000 which the minister suggests, that will leave his revenue for 1927-28 at $367,870,000. There is no estimate of expenditure, except the opinion that it will be slightly larger than that of the present year. The main estimates as tabled are larger by the amount of $6,634,087. The expenditure for 1926-27 is estimated at $360,600,740, I think we are warranted in saying that the estimated expenditure for 1927-28 would be $6,634,087 more, which would make the amount $367,234,827, as compared with an estimated revenue of $367,780,000. That is, there would be an apparent surplus estimated for the coming year of approximately $500,000. I would like to ask the House where is there here any provision for the reduction of the debt next year? There is nothing contained in the minister's speech which would lead us to believe that there can be any reduction in the debt for the coming year if these budget proposals are carried out. There is only the pious wish that business conditions will be better next year, and therefore, that there will be a little more revenue with which to reduce the debt. I do not think any business house in Canada budgets in that manner, and I think this House and

the government should budget so as to be prepared to reduce the national debt by some amount next year.

So far as western Canada is concerned, there is no indication that the coming year will be any better than the one we have just passed through. As a matter of fact our wheat is not grading as high, and we are not receiving as good a price. There is no indication there of any change for the better, and if for any reason we should have a poor crop the chances are that business conditions will not be so good and the revenue may not be quite as large as is now anticipated.

There is current talk in the newspapers and around the House of Commons that the government will this year have to provide some amount for increasing the subsidies to the maritime provinces. They may have to provide an amount to subsidize freight rates to the maritime provinces. I cannot see in this budget any provision for taking care of any such expenditure. I think it is only fair to say that if assistance in this manner is given to the maritime provinces there is bound to be a demand from the other provinces for increased subsidies, from provinces perhaps that can show just as good reasons why their subsidies should be increased. May I point out to the House that the subsidies which the provinces are now receiving have a purchasing power of only a little over sixty cents on the dollar as compared with the time when they were granted, and I think there is no doubt in the world that the House will have to consider the question of whether the provincial subsidies generally will not have to be increased.

We have been discussing here for two days a bill to grant old age pensions in this country. If the government are sincere in their expressed belief that the provinces will pass the necessary legislation and come in under this old age pension scheme, we shall have to find some money to pay for our share of the old age pensions. I cannot see that there is any provision made in the budget for these old age pensions. I think that matter should be taken care of. It is quite possible the minister may have to pay some amount under the old age pension scheme in the coming fiscal year, because we are told that the British Columbia government at the present time is putting an old age pension bill through their legislature.

In view of all these circumstances, I doubt very much whether we are justified in giving effect to all the proposals for tax reduction which the minister has made, and it seems to me there is no doubt in the world that the minister is making a mistake in proposing a reduction in the income tax, at any rate. The bonds which were issued for our war debt, which are such a millstone round this country's neck financially at the present time, are chiefly held by the class of people who pay a large share of this income tax. If this income tax is done away with you are going to entirely relieve this wealth from taxation.

The hon. member for West Calgary, seems to be in favour of replacing the income tax with a turnover tax, which I assume would be a direct tax on every business transaction. Surely a turnover tax must retard business more than the present income tax. We are told that the income tax retards the inflow of foreign capital. I cannot find anything in our history to confirm this view. Mr. Fiske of New York, a prominent authority on financial matters, estimates that the investment of American capital in Canada increased from $750,000,000 before the war to about $3,000,000,000 at the present time, and our income tax has been in force practically all that time.

In 1924 the Department of Commerce of the United States issued an estimate of British and American capital invested in Canada which showed a total of $1,890,000,000 British, $2,425,000,000 United States and $348,000,000 for other countries; or a total of $4,463,000,000 as of December 31st, 1923. Our own Bureau of Statistics issued a statement last year showing a known new investment of American capital in Canadian securities amounting to $483,000,000 in the past four years.

In the face of these figures, I do not see how it can be contended that the income tax retards the investment of foreign capital in Canada. As a matter of fact what our industries need is not an increase of capital but an increased market for their products. In most manufacturing lines we are well supplied with factories, and in very few lines are our factories working to anything like full capacity. A reduction in income tax will not increase consumption, although it might release a very small amount for investment.

One of the difficulties of Canadian industry to-day is over-capitalization, and the capital is badly water-logged. I have before me a copy of a speech delivered by Colonel Arthur Hatch at the annual general meeting and dinner of the Canadian Manufacturers' Association, held at the Windsor hotel, Montreal, June 1924, and at this dinner Colonel Hatch, discussing the development of Canadian industry during the fifty year period from 1870

to 1921, gave the following figures of the amount of capital invested, the employees' wages and the products:

Capital invested increased from $80,000,000 to $3,200,000,000.

Employees engaged increased from 188,000 to 517,000.

Salaries and wages increased from $40,000,000 to $581,000,000.

The value of their products increased from $222,000,000 to $2,748,000,000.

In other words—and this is Colonel Hatch's own statement—in the interval between 1870 and 1921 capital invested multiplied forty times; employees engaged three times; wages and salaries paid fourteen times and value of products, twelve times. I think there is evidence in that statement of the president of the Canadian Manufacturers' Association that Canadian industries are very heavily overcapitalized. Any hon. member who was in this House two years ago when we discussed the resolution moved by the hon. member for Mackenzie (Mr. Campbell) in connection with watered stock in Canadian companies does not need to be told of the vast amount of water there is in the stock of some of our manufacturing industries.

One advantage of the income tax is that it is inexpensive to collect. Last year we received from this source $55,571,000, at a collection cost of $1,724,000. We collected through the customs tariff last year $171,375,000, which cost us to collect approximately $7,000,000. It is generally estimated that for every dollar the government collects in customs revenue from two to three times the amount is taken from the pockets of the people. A protective tariff is a tax on consumers, not for government purposes, but for private purposes, although incidentally it does bring in some revenue to the government. The best feature of the income tax, and one that I would like to commend to the attention of the House is that it is taken only from those who are able to pay. If it is replaced by a tax on commodities which people must purchase it will have the effect of wholly releasing from taxation large amounts of capital which have been accumulated in the hands of a small number of men who are in control of our manufacturing industries and our financial institutions, and men who have accumulated fortunes out of the exploitation of our natural resources. Surely it would be unfair to allow the incomes from those large amounts which have been accumulated in the hands of a comparatively small number of men, and in many cases through favours handed them by the government, to escape taxation. The service rendered by the state to the citizen is largely the protection of his property. We even protect his property after he is dead, and see that it is handed over to the heirs whom he names. If this is so, why should not the citizen who has a larger share of wealth or income contribute according to the share which he has? Trade is restricted by taxation; this is especially true of customs, sales and turnover tax, all of which are a direct tax on commodities. The hon. member for West Calgary complained that the cost of living was too high, but if we are to replace the income tax with a turnover tax I do not think there is any doubt that the cost of living will be still higher. The income tax retards trade the least of any tax which we are imposing to-day. I do not think that statement can be challenged. The turnover tax, the sales tax and all consumption taxes, compel married men to pay more taxes than bachelors. They compel the man who has a family and children to pay more taxes than the couple who simply raise a poodle dog or a persian cat. If taxes are collected on consumption one man may have to contribute ten per cent of his income, while another may contribute only a fraction of one per cent, without any regard whatever to their ability to pay. I think that under an ideal system of government each citizen should contribute to the state an equal share of his time. To-day each contributes his money, not time. If one man has an earning power much greater than another, why should he object to paying to the state a little more in the way of taxation?

The hon. member for West Calgary referred to certain principles of taxation laid down by Adam Smith. I have taken the trouble to again read certain portions of the Wealth of Nations and I should like to quote three or four of the requirements which Adam Smith thought should be met in levying taxation. This is the first requirement:

> The subjects of every state ought to contribute towards the support of the government, as nearly as possible, in proportion to their respective abilities; that is, in proportion to the revenue which they respectively enjoy under the protection of the state.

Surely income tax meets that requirement. Then he says:

> Every tax ought to be levied at the time, or in the manner, in which it is most likely to be convenient for the contributor to pay it.

The income tax meets that requirement, because the taxpayer does not have to pay the tax until he has earned it, and he does not

have to pay it unless he has earned it. Adam Smith's next requirement is that:

Every tax ought to be so contrived as both to take out and to keep out of the pockets of the people as little as possible, over and above what it brings into the public treasury of the state.

I think the income tax meets that requirement; it is as inexpensive to collect as any tax we have. His final requirement is:

The tax which each individual is bound to pay ought to be certain as to the time of payment, the manner of payment, the quantity to be paid, ought all to be clear and plain to the contributor and to every other person.

I think the income tax also meets that requirement. If it does not, it is simply because the income tax law itself is not properly worded or properly administered. But I was so interested in reading the Wealth of Nations that I perused over twenty pages and came to this statement, which I believe may have a little bearing even to-day:

In the disorderly state of Europe during the prevalence of the feudal government, the sovereign was obliged to content himself with taxing those who were too weak to refuse to pay taxes.

When I read that passage I naturally wondered whether in this present case the government were following the line of least resistance and because there is much objection from these wealthy and powerful individuals and corporations they decided to reduce the income tax.

But Adam Smith is dead. I want to quote very briefly from a living political economist —Professor Stephen Leacock, of Montreal. Coming from such an authority as Professor Leacock, I think this should command the attention of the House.

Mr. WOODSWORTH: Will the hon. gentleman say whether Professor Leacock is writing as an economist or a humorist?

Mr. COOTE: I am sure that on this occasion he was speaking as an economist. The passage which I am about to quote is from a lecture delivered by Professor Leacock in the city of Ottawa on January 10, 1927, and anyone reading it must be impressed with the serious vein in which the professor spoke on that occasion. He said:

Observe what Adam Smith wrote—The Wealth of Nations—an inquiry concerning the causes of the Wealth of Nations. He was preoccupied with that; we are not. What we would like now is that somebody would write an inquiry concerning the causes of the poverty of individuals. The wealth of nations is a solved problem.

There is a temptation to quote at great length from this speech, but I will content myself with one other quotation:

Even a child understands that one man receives wages, another receives a salary, another earns profits and another draws wealth from some investment source.

Even a child understands that.

Here we have a set of claimants—the workingman, the salaried man, the man living on his interest, the man accumulating or losing profits. These different claimants to the world's goods receive their shares in varying amounts; to the one a mere pittance, to the other wealth undreamed of a century ago.

In wages, salaries and profits the widest and strangest discrepancy exists. We live in a world of the most extraordinary disproportions. What are we to think of it? Are those claims right? Is the sharing true or proper or is it not? That is a problem of economics as important for social justice as the problem of which I spoke is for the world production.

I draw the attention of the House particularly to this last sentence:

That problem of distribution has got to be solved or the world will blow up.

I think that quotation from Professor Leacock's address should make the House pause to at least consider whether we should at this time reduce the income tax, which is only a slight effort to correct the great inequalities of reward for service rendered. We do not appear to have any system of levying our taxation, unless it is, as an hon. member said to me the other day, the possibility of extraction.

In his budget speech the Minister of Finance gave a table showing the quantities imported of certain goods, classified for statistical purposes as, "goods imported for further manufacture." These were valued last year at $224,000,000. An examination of the list shows that nearly all these items are admitted free of duty. I have the table before me and with the permission of the House I will place it on Hansard in order to save time:

TARIFF RATES ON CANADA'S IMPORTS, 1926.

267a	Crude petroleum in its natural state imported by oil refiners	Free	Free	Free
267b	Crude petroleum partly refined per gal	3/10ct.	4/10ct.	1/2ct.
532	Raw cotton	Free	Free	Free
599	Hides raw	"	"	"
438	Auto engines	22½%	30	35
142	Tobacco manufactures	Free	Free	Free
503	Lumber	"	"	"

TARIFF RATES ON CANADA'S IMPORTS, 1926.—*Concluded.*

504	Lumber	Free	Free	Free
505	Partly manuf. lumber planed on one side	17½	22½	25
	Raw wool	Free	Free	Free
554	Wool, noils and tops	"	"	"
555	Wool per lb	2c.	2 1/2	3
	Raw sugar			
539	Manila and sisal grass	Free	Free	Free
	Tariff rates on 1926 imports 9 mos. ended Dec. 31—			
348 (d)	Copper bars and rods, impt. by man.	Free	Free	Free
778		"	"	"
576	Raw silk	"	"	"
540	Hemp dressed or undressed	"	"	"
211	Alumina	"	"	"
278	Oil for soap industry	"	"	"
208	Sulphur	"	"	"
748	Cotton seed oil, crude	"	"	"
329	Iron ore	"	"	"
77a	Raw cocoa (beans) per 100 lbs	"	$1.00	$1.50
616	Rubber recovered	"	Free	Free
742	Rubber hard	5	7 1/2	10%
616	Raw rubber	Free	Free	Free
278	Peanut oil edible	"	"	"
278a	Peanut oil (crude) (soap)			
?	Rolling mill products.			
335	Manganese, oxide of	Free	Free	Free
	Grease for soap and leather	"	"	"
	Tin in blocks, etc	"	"	"
	Pigs of iron, per ton	1.50	2.50	2.50
	Ingots of iron	1.50	2.25	2.50
	Auto parts n. o. p			
	Raw furs	Free	Free	Free
	Axles for vehicles	22 1/2	30	35
	Silk cloth to be dyed	12 1/2	22 1/2	35
	Celluloid in lamps, sheets, etc	3	5 %	5
	Gums and resin	Free	Free	Free
	Silver in bars	"	"	"
	Leather unmanufactured	10	12 1/2	15

In this House we are very often reminded that we are importing too much goods from the United States. It worries all my hon. friends who sit to my right. But may I point out to them that the Canadian manufacturers are the largest importers of United States goods? The list which the minister dealt with in his speech aggregates $224,000,000 out of total imports valued at $513,000,000. If you add to that list coal and other commodities which these manufacturers imported last year, I am sure you will see that they imported over half of the goods which appear as imports from the United States. The customs tariff allows our manufacturers to buy in a free market and to sell in a protected market; while the rest of the people, the farmers particularly, buy in a protected market and sell in a free trade market.

The collection of income tax is only a small attempt to remove some of the inequalities in the wealth of our citizens—inequalities caused, at least in part, by the operations of the tariff. The minister said that his aim has been to lighten the burden of taxation generally, that is on every taxpayer, rather than afford relief to special groups. But by reducing the income tax he is really intensifying the difference between the manufacturers and capitalists on the one hand and the great body of wage-earners and farmers of this country on the other. It is reduction in taxation affecting only about 10 per cent of our people—and the most highly favoured class at that. As the minister said last week, in reply to a speech from the hon. member for Toronto Northwest (Mr. Church):

> The war is over, but it is not yet paid for.

The income tax should remain until it is paid for. With the exemptions from income tax now allowed, I cannot see that any hardship whatever is caused by this tax. The tax which to-day restricts trade more than any other form of taxation is the customs tariff. The situation in Europe became so acute that in October last a manifesto was published in London, signed by hundreds of the most prominent business men and bankers in Europe, as well as a large number of prominent bankers in the United States. It is worth noting that the manifesto was signed by the leading men in the countries which took part on either side in the Great war, it was signed by men in

England, France, Italy and Belgium as well as by men in Germany, Austria and Hungary. It is one of the most important documents given to the business world for a long time, and is well worth incorporating in Hansard. It is too long to read here, but if I have the permission of the House it may appear in Hansard without being read, as it will only take about a page. It should be remembered also that this statement is not made by Adam Smith or by any other man who lived a hundred years ago, when conditions were very different; it was written by men living to-day, some of the most astute business men in the world, speaking from their own personal experience and observation. The statement is as follows.

The manifesto printed below, called A Plea for the Removal of Restrictions upon European Trade, was published in London on October 19.

We desire, as business men, to draw attention to certain grave and disquieting conditions which, in our judgment, are retarding the return to prosperity.

It is difficult to view without dismay the extent to which tariff barriers, special licenses, and prohibitions since the war have been allowed to interfere with international trade and to prevent it from flowing in its natural channels. At no period in recent history has freedom from such restrictions been more needed to enable traders to adapt themselves to new and difficult conditions. And at no period have impediments to trading been more perilously multiplied without a true appreciation of the economic consequences involved.

The break-up of great political units in Europe dealt a heavy blow to international trade. Across large areas in which the inhabitants had been allowed to exchange their products freely, a number of new frontiers were erected and jealously guarded by customs barriers. Old markets disappeared. Racial animosities were permitted to divide communities whose interests were inseparably connected. The situation is not unlike that which would be created if a confederation of states were to dissolve the ties which bind them, and to proceed to penalize and hamper, instead of encouraging, each other's trade. Few will doubt that under such conditions the prosperity of such a country would rapidly decline.

To mark and defend these new frontiers in Europe, licences, tariffs, and prohibitions were imposed, with results which experience shows already to have been unfortunate for all concerned. One state lost its supplies of cheap food, another its supplies of cheap manufactures. Industries suffered for want of coal, factories for want of raw materials. Behind the customs barriers new local industries were started, with no real economic foundation, which could only be kept alive in the face of competition by raising the barriers higher still. Railway rates, dictated by political considerations, have made transit and freights difficult and costly. Prices have risen, artificial dearness has been created. Production as a whole has been diminished. Credit has contracted and currencies have depreciated. Too many states, in pursuit of false ideals of national interest, have imperiled their own welfare and lost sight of the common interests of the world, by basing their commercial relations on the economic folly which treats all trading as a form of war.

There can be no recovery in Europe till politicians in all territories, old and new, realize that trade is not war but a process of exchange, that in time of peace our neighbours are our customers, and that their prosperity is a condition of our own well-being. If we check their dealings, their power to pay their debts diminishes and their power to purchase our goods is reduced. Restricted imports involve restricted exports, and no nation can afford to lose its export trade. Dependent as we all are upon imports and exports, and upon the processes of international exchange, we cannot view without grave concern a policy which means the impoverishment of Europe.

Happily there are signs that opinion in all countries is awaking at last to the dangers ahead. The League of Nations and the International Chamber of Commerce have been labouring to reduce to a minimum all formalities, prohibitions, and restrictions, to remove inequalities of treatment in other matters than tariffs, to facilitate the transport of passengers and goods. In some countries powerful voices are pleading for the suspension of tariffs altogether. Others have suggested the conclusion for long periods of commercial agreements embodying in every case the most favoured-nation clause. Some states have recognized in recent treaties the necessity of freeing trade from the restrictions which depress it. And experience is slowly teaching others that the breaking-down of the economic barriers between them may prove the surest remedy for the stagnation which exists. On the valuable political results which might flow from such a policy, from the substitution of good-will for ill-will, of co-operation for exclusiveness we will not dwell. But we wish to place on record our conviction that the establishment of economic freedom is the best hope of restoring the commerce and the credit of the world.

A reduction in the taxation on consumption helps to increase business and encourages the producer to increase his volume, which can scarcely be said of a reduction in income tax. A reduction in the customs tariff or in the sales tax would undoubtedly have the effect of increasing business. Last year the minister reduced the tariff on automobiles, and we were warned by the Conservatives that the automobile industry would be ruined. The condition of the industry to-day proves that it has been greatly benefited by those reductions. I have here an advertisement which I took from the Calgary Albertan last August; it was inserted by Dodge Brothers of Canada Limited, and states that for the three weeks ending July 17, 89 per cent more cars and trucks were delivered to customers than during the same period in the previous year. Then I also have a statement made by Mr. R. S. McLaughlin, president of General Motors of Canada, Limited, whom I presume to be a good authority. This is taken from the

Annual Review of the Montreal Gazette, published on January 8, 1927. Speaking of the automobile industry Mr. McLaughlin says:

> The increase in production during 1926 was occasioned almost entirely by demands of the home market, for exports as compared with 1925 remained almost stationary; the total for the ten months ending October 31, being 60,118 vehicles, as compared with 58,007 vehicles for the same period of 1925. A complete survey of the home market in 1926 shows that it absorbed approximately 166,000 motor vehicles, of which 136,000 were made in Canada and 30,000 imported.

I have examined the budget proposals very carefully, and it does not need a magnifying glass to show one that no reduction is proposed in the tariff schedule. I believe that the present government owes its existence to its formal claim of being the low tariff party in Canada, and because of this claim it received very generous support in the agricultural districts last year. This budget, however, is one which might very well be brought down by a Conservative government.

I cannot feel that the Minister of Finance can shelter himself behind the advisory tariff board, since decisions in regard to the tariff rest with the minister. He stated that the tariff board had been instructed to investigate and report on fifty-two applications for tariff changes. He did not enumerate those applications and I do not know what they were, but I understand that in every case they were made by outside parties; I do not understand that the minister took the initial step in referring any of these matters to the board. I believe there are several hundred items in the customs tariff schedule on which the general tariff is from 30 per cent to 37½ per cent. Is it the policy of the government to take no action in regard to any of these items unless some producer or consumer takes the responsibility of arguing the case before the tariff board? If the government policy is that no change will be made in any item in the tariff schedule until the matter has been investigated by the board, surely the minister should immediately refer to the board most of the items on which the general tariff is over 25 per cent, and he should see that competent counsel is engaged to present to the board these claims for reduction.

I have here a short list of items taken at random from the present tariff schedule. I was in a hurry when I made up this list and simply opened the book at random, and I would like to give it to the House. The tariff I am going to quote is in each instance the general tariff rate. There is a lower rate, a preferential tariff, on most of these items, but in many cases the preferential rate is still too high:

	Per cent
Fire engines, extinguishers of all kinds	35
Locomotives	35
Sewing machines	30
Typewriters	25
Granite or enamelled ware	35
Aluminum ware	30
Cutlery, knives and forks	30
Gas meters and parts	35
Needles and pins	30
Nails, spikes and tacks	35
Screws	35
Buckles	30
Skates	35
Woven wire	30
Iron pipe	30
Iron or steel bridges	35
Watches, clocks	30
Spectacles	30
Glass milk bottles	27½
Glass shades	32½
Bath tubs	35
White lead—ground in oil	37½
Wall paper	35
Window shades	35
Umbrellas	35
Harness	30
Door mats	35
Aeroplanes	30
Artificial silk fabrics	35
Silk fabrics	35
Manufactures of artificial silk fabrics	37½
Manufactures of silk fabrics	37½

I would like to remark here that ladies now like to wear silk stockings and the gentlemen like to see them worn. I think this tariff item is as much out of date as are long skirts, and it should be made over to keep up with the fashion. The tariff on many of these items should be abbreviated, just as much as ladies skirts have been shortened in the last few years.

For a few moments now I wish to deal with the statement of the minister in regard to our trade balance. Our favourable trade balance for 1925 was about $401,000,000, while the estimated balance for this year is $260,000,000, showing a loss of $141,000,000. I believe that very often too much stress is laid on this matter of a trade balance, which may mean much or little because there are so many invisible factors entering into it. If we are just entering on a period of great prosperity and a large influx of foreign capital is beginning, we are likely to have a decrease in our favourable trade balance, largely due to the fact that this inflow of capital comes mainly in the form of goods. I think this statement is proved by a study of our trade balance with the United States and the large increase of American capital invested in Canada during the years 1914 to 1923. If hon. members will study the tables of imports in the speech of

the Minister of Finance it will be seen, as I have already said, that the largest importers from the United States are the manufacturers. It is quite evident to anyone that for many years to come we must continue to import, largely from the United States, such materials as oils, cotton, iron and coal. The member for West Calgary seemed rather to lament the fact that we were depleting our natural assets by exporting some of our raw products to the United States, but we are importing raw products from the United States. These natural resources are really only potential assets until you apply human labour to them, take them out of the ground, and put them into a form in which they can be sold. Then you turn potential assets into real assets. Until Canada becomes a self-contained country we must import many of these things, and if we are going to import raw materials surely we must be willing to export them also. Our imports must be paid for by exports. I think that is admitted by most men to-day. I have a table here, compiled from the statistics of the Department of Trade and Commerce for the year 1925, and which I will place on Hansard, if I have the permission of the House, showing that our agricultural, vegetable and animal products amount to 56 per cent of our total exports. The table is as follows:

Exports 1925

Agricultural and vegetable products	$443,298,877
Animals and animal products	163,031,415
Fibres, textiles and textile products	9,711,720
Wood, wood products and paper	253,610,024
Iron and its products	57,405,940
Non-ferrous metals and their products	90,370,788
Non-metallic minerals and their products	20,728,986
Chemicals and allied products	16,209,820
Miscellaneous commodities	14,699,783
Total exports Canadian merchandise	$1,069,067,353

I have also a statement from the Bureau of Statistics covering the exports of wheat for the last five years, which shows that our export of wheat which is the most important and largest item in our export trade, was valued at $401,000,000 in 1925. That statement is as follows:

DOMINION BUREAU OF STATISTICS—INTERNAL TRADE BRANCH

WHEAT

Crop of	World Production	Canada				
		Acreage	Production	Price received by farmer	Exports*	
					Quantity	Value
	Bush.	No.	Bush.	$ c.	Bush.	$
1921	3,396,591,222	23,261,224	300,858,100	0 81	158,549,757	196,168,771
1922	3,560,905,565	22,422,693	399,786,400	0 85	229,681,814	263,819,430
1923	3,835,661,737	22,671,864	474,199,000	0 67	281,006,148	†282,595,148
1924	3,569,324,790	22,055,710	262,097,000	1 22	146,958,158	226,979,571
1925	4,002,061,067	21,972,732	411,375,700	1 12	275,557,078	401,306,827
1926 (preliminary)	3,346,373,000	22,987,048	409,811,000	1 09	152,086,152	‡211,250,855

*Crop year basis. †11 months—September, 1923 to July, 1924.
‡6 months—August, 1926 to January, 1927.

I simply mention the extent of our exportation of wheat to remind the House that our farmers, in many lines, are producing largely for export trade. They have to meet the competition of the world in prices, and the export price of their products largely determine the price at which their products are sold at home. We must, if farmers are to cotinue to export, have as low a cost of production as it is possible to get in Canada.

Mr. Speaker, it has been customary in Canada for many years for parties in this House to outline to the country their policy on economic matters at the time the budget is before the House. It is a rare thing, so far as I know, for budgets to be brought down without an amendment being presented by some party.

I may say that our group have given very careful consideration to this budget. There are some things in it that we approve of; there are some things that we disapprove of. There are proposals contained in the budget that should not be there, and things which it ought to contain are not there. Under the circumstances we have to decide whether the

omissions are important enough to warrant the moving of an amendment to the budget. So far as the present budget is concerned, we have come to the conclusion that the principle of direct taxation, consciously or unconsciously, is being attacked in favour of indirect taxation. We believe this is a backward step in our taxation policy, and that the question is of such importance that the members of the House should have the opportunity of placing themselves on record in regard to this principle.

We believe the Finance minister has no good excuse for refusing to suggest some reductions in the tariff simply because the tariff board has a number of applications before it on which it has not reported. We cannot allow the board to become an excuse for inaction or indifference on the part of the government, and the seeming indisposition to carry out that policy as expressed in their platform, and in the utterances of their leader and the members of their party generally.

We are also impressed with the fact that no attempt is being made by the Minister of Finance to deal in a systematic way with the reduction of the national debt, the interest on which at the present time is absorbing 36 per cent of our total revenue. Under the circumstances we feel that it is our duty to present an amendment to this House. I therefore move:

That all the words after the word "that" be struck out and the following substituted therefor:

Whilst recognizing the advisability of certain minor changes proposed, this House regrets that the budget as presented by the honourable Minister of Finance contains no effective provision for the reduction in the high cost of living, in so far as such is due to the protective tariff;

That the budget shows a further departure from the principle of direct and visible taxation based on the ability to pay.

And further that no systematic effort is being made to reduce our national debt, the interest on which absorbs so large a proportion of the revenues of the Dominion.

Hon. JAMES MALCOLM (Minister of Trade and Commerce): Mr. Speaker, it is with a feeling of considerable satisfaction that I rise on this occasion to pay tribute to my colleague the Minister of Finance (Mr. Robb) on the favourable statement of the country's affairs which he has presented this year in his budget speech. Not only has the Minister of Finance reason to feel proud but the country as well should feel highly pleased at the statement which he presented to the House.

[Mr. Coote.]

The budget as delivered deals with the relief of taxation, and I wish to compliment the Minister of Finance on having been able to deal so directly, in the second consecutive year, with the burden of taxation which falls on the average citizen. I think the Minister of Finance should feel very gratified to-day at the manner in which his budget pronouncements have been received. He has been the recipient of compliments, not only from the press, but from citizens throughout the Dominion of Canada; and I am quite sure that no one in this Dominion will hereafter make so bold as to prophesy the ruin of Canadian industry by reason of the action of this government.

I wish also to pay a compliment to the ex-Minister of Finance, the hon. member for West Calgary (Mr. Bennett). While we might expect from an hon. member with the political knowledge and the legal and financial experience of my hon. friend a speech worthy of any subject, it was to me a great satisfaction that from the opposition side of the House we had on that occasion a speech which was not purely destructive but which contained many constructive suggestions, and I wish to compliment my hon. friend thereon.

The statement presented by the Minister of Finance (Mr. Robb) was a plain, uncoloured statement of facts; a statement which could easily be understood and the accuracy of which could not be questioned. And this is as it should be for the presentation of our annual statement should at all times be so clear as to leave no question as to its accuracy. I feel sure that in this instance the Minister of Finance has met that requisite. I also wish to compliment the minister on presenting a statement in which he does not take to himself all the credit for conditions as they exist throughout the country. He rather leaves it to the good judgment of the House to decide whether or not his policies have been beneficial to the national life.

His budget deals particularly with relief from taxation, and he chooses on this occasion as in the last budget to make that relief apply more especially to direct taxation. The statement of the affairs of this country which the budget revealed surely is one which will enable us as a people to go forward with courage and confidence into the future, filled with the realization that we are now indeed on the verge of an era of prosperity. I believe the budget itself will accentuate that condition of affairs.

The hon. member for Macleod (Mr. Coote) has criticised at considerable length the in-

come tax reductions proposed by the Minister of Finance, and I wish to refer briefly to his criticism. The hon. gentleman endeavours to create the impression that the whole load of the income tax is on that section of the Canadian people possessed of higher incomes, and that it is therefore a good form of taxation to keep at a maximum. It will be remembered that the Minister of Finance in his budget last year increased the income tax exemptions and the benefits that were derived from last year's budget were practically altogether in favour of those with lower incomes. I believe it will be found that as a result of last year's income tax reductions about 75,000 of our citizens were relieved from income taxation altogether. There were only about 150,000 who came under the old act. Is it not fair that when so many have been entirely relieved, the budget presented this year by the minister should take some cognizance of that fact and make a reduction such as has been made all along the line? I consider that the reduction in income tax made by the minister this year is an extremely fair one. As a matter of fact it is simply this: when the income tax is computed by the established method, a straight discount of 10 per cent is given on the income tax so computed. That is equality in relief from taxation.

My hon. friend worries as to the revenues of the country and our ability to pay off the national debt. In 1921-22 we collected about $78,000,000 from income tax. In the years following the amounts were in the neighbourhood of $55,000,000 to $60,000,000 per annum or less. Last year it was estimated by the minister that the loss due to his reductions in income tax would amount to about $14,000,000, but it has turned out that the loss of income tax due to those reductions will be only about $8,000,000. This is attribuable to several reasons. The general increase in prosperity in the country has undoubtedly been a factor in giving better returns on invested capital. The larger agricultural wealth, referred to by the hon. member for West Calgary (Mr. Bennett) undoubtedly played an important part in the creation of the increased wealth of the community. Furthermore from time to time tax-free securities have been called in. It is reasonable therefore to suppose that with continued prosperity there will not be as serious a falling off in the income tax collections as some people believe.

The hon. member for Macleod stated that our income tax does not prevent United States capital from coming to Canada, and I would like if I might be permitted, to clarify his mind in respect to that matter. To a certain extent it is true, in that United States capital which comes to Canada is held by citizens of the United States who own such securities on which income tax is not payable in Canada. That is the justification for the corporation tax. The corporation tax of 9 per cent is the one method the Minister of Finance has to get at the large United States company operating in Canada, the dividends of which company go to the shareholders or stockholders residing in the United States. So long, however, as Canada retains a high ratio of income tax on large investments just so long will we not be able to get investors of large amounts of capital to become Canadian citizens and pay income tax in this country. That is the point in question. Is it not natural to expect that the converse will also happen, namely, that men possessed of decided wealth in Canada, who do not care much whether they make their permanent home, in let us say, the city of Montreal, or their winter home in the south, should finally establish their residences in the United States and pay their income tax there under less severe rates? If the hon. member for Macleod reviews the situation, I believe he will come to that conclusion.

I consider that he is also wrong in stating that the income tax reduction is not a popular move with the agriculturist. I do not think anyone can question the interest taken in agriculture by the Premier of Manitoba. Premier Bracken is probably as much interested as any man in western Canada in the agriculturists, and I would inform my hon. friend that last week Premier Bracken brought down a budget announcing a reduction in the income tax.

I now wish to refer briefly to the reduction made by the minister in the stamp tax on commercial documents. There is a very erroneous impression abroad as to who pays this tax. To me it is burdensome and paid by the wrong class of people altogether. It cannot be denied that in every instance it is the debtor who pays the tax. A debtor has obligations enough in paying his debt in addition to the ordinary banking charges on commercial paper, without having ten or twelve dollars added to his note in the form of taxes, and without the necessity every time his note is renewed at the bank, or a cheque given, of covering the whole back of it with stamps. In reducing this tax the minister is appreciably relieving those in our country who are heavy borrowers and who are paying

their bills. The banks do not pay this tax. The commercial houses do not pay it. In every instance the man who meets the obligation is charged with the cost of the stamps which have to go on his paper. There is every justice in making the tax on commercial paper as reasonable an amount as can be set. I am glad the tax is being continued from the standpoint of revenue, but I am glad it is being removed in its present excessive form.

With regard to the remarks of the hon. member for Macleod concerning the sales tax, I wish to make just this observation, that I have never been an enthusiastic supporter of the sales tax. I think it drives up the cost of merchandise, it is unquestionably pyramided, and it eventually slows up merchandising and trading. On the other hand, no better illustration can be given of the difficulty of removing a tax once it has been established than the problem of the sales tax. Many people have argued in favour of the complete and speedy removal of this form of taxation. Many representations have been made to the minister and much has been said in the press in favour of this. But the minister must take into consideration the very disturbing effect the sudden removal of a full five per cent of the value of the merchandise would have on business. Merchants and wholesalers all over the country have enormous stocks of merchandise, of a value probably many times the total capital invested in their businesses and if the government were to make a sudden reduction of five per cent in the value of the stocks held, it might mean a fifty per cent reduction in the total assets of those businesses. Therefore, I compliment the minister in doing what he has done, in making a gradual reduction in the sales tax, and my advice to him would be to continue with this gradual reduction, such as can be absorbed without causing any very great hardship to the merchants, until the tax is finally eliminated.

My hon. friend from West Calgary, the ex-Minister of Finance (Mr. Bennett) made a statement in his speech on Thursday to which I wish to refer. While it is very easy for me to admire a speech made by my hon. friend, it is not always so easy to agree with the premises on which he bases his argument or with the conclusions at which he arrives. He made the general statement that the Dominion government took from the people of Canada in the year just closed $1.64 more per capita than it had taken in the previous year. First, I wish to correct my hon. friend as to a slight inaccuracy in his mathematical calculation.

He took the difference in the two years' revenue and divided that by the population of Canada in June, 1926. Now in June, 1925, we had a population in Canada of 9,268,000; in June, 1926, we had a population of 9,390,000.

Mr. BENNETT: I might say to the minister that no allowance was made for the numbers of people who had left Canada between 1925 and 1926, and I took the figure as given by the department for June, 1926.

Mr. MALCOLM: The hon. gentleman's remarks are quite in order. I took the same figures as were given to him for June, 1926, but I also got from the department the figure 9,268,000 as the population of Canada for June, 1925. Now if we divide the revenue for 1925 by that figure, we find that $35.34 was the total per capita amount of federal taxation for the fiscal year 1925, whereas dividing the population of 9,390,000, the figure for June, 1926, into the revenue of $343,000,000 collected in that year, gives us a per capita contribution of $36.53, resulting in an increased per capita contribution, not of $1.64 as stated by my hon. friend, but of $1.19.

But aside from this slight inaccuracy, Mr. Speaker, we cannot accept the very simple method of my hon. friend in arriving at the per capita contribution of the people of Canada to the total of taxation. My hon. friend from Macleod (Mr. Coote) referred a moment ago to the very heavy increase in the importation of raw material by the manufacturers of this country. That is quite true, and that becomes a very important factor with respect to the duty collected when these goods are manufactured here and exported to another country. My hon. friend from Macleod assumes that all the goods imported by the Canadian manufacturers are free of duty. As a matter of fact, all equipment used by Canadian industrial plants which manufactured for export pays duty, and there is no rebate, and even where there is provision for rebate, in no case is the total duty rebated. I desire therefore to point out to the House that a considerable contribution to the exchequer results from duties paid on equipment and plant, and merchandise imported which is afterwards exported to other countries of the world. This particular source of revenue forms, I believe, an increasingly larger and more important part of the revenues of this country as the years go by.

There is also another matter which my hon. friend from Macleod has I fear entirely misunderstood. He speaks of the excise revenue as being a per capita revenue. Personally I

do not think that excise revenue can be treated as a per capita revenue at all. I do not believe that all people contribute equally to the excise revenue. I do not think that my hon. friend from West Calgary, for instance, and a few other gentlemen are charged with as large a proportion of excise taxation as some other people.

There is another factor which is very important in the distribution of revenue per capita, and it is this. In times of prosperity, is it not true that the wealthier of our citizens purchase more luxuries, which in Canada are dutiable, and thereby contribute in greater proportion to the revenues of the country? And is it not still more true, Mr. Speaker, that when times are prosperous, the average citizen indulges in the purchase of more articles, more comforts for his home, thus by the purchase of two articles instead of one, adding to the total revenue of the country?

But then, after all, supposing we did collect more revenue last year than the year previous. Did any harm result? I submit not. My hon. friend from West Calgary himself pointed out that as a result of that increased revenue and the lessening of expenditure we were able to do what my hon. friend from Macleod says we are not doing fast enough—pay $43,000,000 off our deadweight debt. Surely there is ground for satisfaction in that.

My hon. friend analyses under the heads of the various departments the money extracted from the people by means of taxation. In this connection I think he will agree with me, that the $1.50 per capita deficit of our Post Office department is not one which can be very much questioned. We as a people in Canada have chosen to accept a uniform postage rate from the Atlantic to the Pacific, rather than a rate based on mileage, the same as transportation. Canada has been built up by those who have pioneered the vast spaces, and it is only logical that those of us who live in the more densely settled districts, where the distribution of mail matter is much more economic, should be more heavily charged than those who live in the sparsely settled districts. The whole question of postal revenue is one of national policy, and I believe that every man in the country to-day is in favour of a uniform postage rate and a uniform parcels post rate; I believe that every man in the country is in favour of rural mail delivery in order to make the lives of the people in the country a little more pleasant. I have never found any difference in policy as between any two governments in Canada on this question, and I believe that if there is a slight deficit in the returns of the Post Office department this year, the Canadian people are quite satisfied that those who live in the more heavily settled districts, and receive the cheapest service so far as actual cost is concerned, should pay a greater proportion of the cost of the whole service.

I wish to refer for a moment to the criticism of the hon. member for Macleod as regards the budget and the tariff. The budget has announced no tariff changes this year, and I presume that that furnishes legitimate ground for criticism by those who want tariff changes either up or down. Many applications for advances and many applications for decreases in the tariff have been laid before the tariff board. There were charges both ways. It was charged that the high tariff made living expensive. It was also charged that the lowness of the tariff made it difficult to conduct industry in this country, and that unemployment was caused thereby. Much data has been collected by the board, but, Mr. Speaker, not nearly all the data that is necessary to substantiate the claims of those who are seeking an increase in the tariff has yet been collected, more particularly with respect to the major industries, steel, woollens, and boots and shoes. Nor has there been anything like unanimity in their arguments on the part of those asking for tariff increases. People in various branches of the steel industry, for instance, in their presentations before the board have held diametrically opposed views as to whether the tariff should be increased on certain articles, articles, for instance, which are the finished product of one mill and the raw material of another. Therefore, until these diametrically opposed views can be reconciled it is only reasonable to suppose that in this major industry the minister could not deal with the request for advances in the tariff. The case of the tariff on woollen goods has yet to be heard and when it comes up the same condition may arise. Various branches of the industry will probably hold different views. There may have to be revision of classifications, and a considerable time must elapse before the board can collect the required data. With regard to the question of boots and shoes, hearings have taken place but I understand further hearings are to be held. Truthfully it can be said that in no industry of major importance has all the evidence been brought down or all the facts established for submission to the government.

Mr. BENNETT: Is it not true that something over forty odd reports have been made to the minister?

Mr. MALCOLM: No, only twelve.

Mr. BENNETT: Only twelve? It must have been more than that.

Mr. MALCOLM: The hon. gentleman heard my statement. I will come to that question in a moment. The hon. member for West Calgary in a speech some time ago stated that the difficulty experienced in arriving at a satisfactory conclusion as to what measure of tariff should be applied was very great. To quote his actual words, in the House of Commons debate, May 18, 1926, he said:

> We realize, as every man in this House must realise, how difficult it is to understand fully the complex operations of the tariff, and come to an adequate and proper conclusion with respect to how far-reaching its ramifications may be.

Just so. With regard to the major industries they are so complex that a great deal of evidence has to be compiled after the first representations are made, and on these major industries, regarding which the country is looking for decisions, there has not yet been sufficient evidence compiled to justify the minister in making a decision. Furthermore, it has been pointed out by my hon. friend that the tariff board is not making definite findings, that it is only an information-collecting bureau. When this information has been collected and placed before the Minister of Finance, the government itself must assume responsibility for the action taken as a result of the findings. It is therefore logical to assume that some consideration must yet be given even to those cases to which my hon. friend referred a moment ago in his question. I wish to point out to the hon. member that the items which have been before the board, and on which the board has secured information and submitted it to the government, number ten or twelve—I think, thirteen altogether. Now there is no item of such major importance as to justify a revision of the tariff this year. They are small items indeed. An application was made for a reduction of the duty on calcium chloride. A reduction was asked for on certain pumps. An increase was asked on piano player rolls, though the matter is really a question of classification in the Customs department, as to whether they are to be classed as sheet music or musical instruments. A reduction was asked in the tariff on imported candles. An application was made with regard to gabardine cloth, and I suppose the minister saw no particular reason why he should consider that application before he had reviewed the whole textile industry. And so on all down the line. All the matters that have been reported upon by the board are comparatively of so little economic importance to the country that I think the minister has done wisely in withholding his decision on that group, until he could deal with the major industries. I will however say this—that when the evidence and the facts are brought down they will be reviewed, and on the evidence submitted and having regard to the economic conditions in this country, the government will bring down its policy for reduction or increase, and will be prepared, as it has always been, to stand by its decision.

If some of my friends who are strongly in favour of no increase in the customs tariff were very wise they would also be very patient. Patience is the course of wisdom, if you are looking for no increase, for the reason that the industries which two years ago were in a stagnant condition are this year prosperous, and it will be more difficult, as prosperity continues, to establish a case for increase in tariff. I believe that this year we have got into our stride and that manufacturers are in a better position than heretofore. As a result of that many industries which were blaming the tariff for their troubles will be no longer inclined to do so, because the trouble has disappeared. In last year's budget the most important item of change was the reduction of the duty on motor cars, and the establishment of a qualifying content of fifty per cent Canadian labour and material. I do not wish to embarrass any hon. members opposite by quoting to them their speeches regarding the dire disaster that would befall the automobile industry, because I feel that genuine alarm was felt by them, as well as by some on this side of the House. The fact however remains that the important item with respect to the motor car tariff reductions was the fifty per cent qualifying content made necessary. To-day everyone is agreed as to the wisdom of the policy which the minister announced in last year's budget, that before certain rebates of duties would be granted to American concerns manufacturing in Canada Canadian labour and material must be used to the extent of fifty per cent. We realize the great wealth and resources of the American republic, and we are willing to admit that probably our geographical position deprives us of many of the commodities which we would desire in this country—many commodities which are necessary to the economic life of the country. The hon. member for South Essex (Mr. Gott) I think had a question on the order paper to-day in regard to agricultural imports into Canada. Such agricultural imports consist largely of tropical

fruits and vegetables which we do not grow, and which though termed agricultural products, are entirely different from those produced in this country. We need these commodities, but our climatic conditions do not permit us to produce them. We do not for example produce cotton and rubber. Our limited production of certain commodities and the limited production in other parts of the empire of commodities such as we produce, has induced the government to support a policy of British preferential tariffs. There is no question but that the policy of a British preferential tariff, not as we extend it to some other countries, but as some other countries extend it to us in return, has induced many manufacturers to come to Canada to establish branch plants. If an industry comes to Canada and is merely an assembling plant it is not of very much consequence to Canada, and the best way to turn that assembling plant into a real manufacturing plant that will give employment to Canadian labour and build up the industrial growth of the country is to stipulate that before the plant will be given a preference in this country the production must be a certain specified percentage Canadian.

Premier Bruce and Premier Coates visited Canada on their way home from the Imperial conference, and we were glad to have them honour us with their company. They both asked us in effect: "Is it reasonable that we should give to you a preference on motor cars, of which we buy practically our whole supply from you, unless those cars are Canadian-made and not merely assembled?" No one can gainsay the wisdom of the Australian and New Zealand governments in inserting a clause in their custom tariffs for that purpose. What our Minister of Finance did by his last year's budget was to compel our automobile manufacturers to bring their cars up to the 50 per cent point of Canadian content. Had he not done so then, the motor car manufacturers would have found themselves forced to take that course by virtue of the customs regulations of the countries to which they export their cars. With the permission of the House I should like to place on Hansard a table showing the production of passenger automobiles, trucks and chassis in the Dominion during the past eight years.

Production of Passenger Automobolies, Trucks and Chassis in Canada, 1919-1926

1919	87,835
1920	94,144
1921	66,246
1922	101,007
1923	147,202
1924	132,580
1925	162,221
1926	205,116

In 1919 we produced 87,000 motor cars in round figures. That production gradually increased until by 1923 it had reached 147,000. In 1924 there was a decrease. In 1925 both export and domestic business improved and the total production reached 162,000; while in the year just closed the production increased to 205,000, about half being for domestic consumption and half for export. There is no cause to worry about the employment of labour when we have such a big increase in production. I may say that there has been a very material improvement in employment conditions in our motor car factories. Not only that, but any man who is interested in the great number of supply houses—and there are several such men in this House—representing a variety of genuine Canadian industries, owned by Canadian capital, founded and developed by Canadians, is aware that those industries have benefited to a very great extent because the motor car manufacturers have had to place their orders for supplies with such Canadian industries, thereby giving employment all over the country.

There is a very great difference, Mr. Speaker, between an industry in Canada which was built up by Canadians and an industry established here for the definite purpose of securing the benefit of certain preferential tariffs. Especially is this difference realized when we consider that in the latter case most of the stock is owned in a foreign country, and the dividends do not pay income tax here except perhaps on a small percentage of the stock held by people domiciled in this country. The greatest benefit of the 50 per cent requirement laid down in last year's budget has been in the form of orders from our motor car manufacturers for other Canadian industries.

With regard to employment, Mr. Speaker, many statements have been made. The statistical branch of the Department of Trade and Commerce keeps a record of 6,000 industries, which make monthly returns to the department. This number remains constant, because only when one industry passes out is another taken in. From those returns an index number of employment is carefully compiled. The peak of the post war boom was in January, 1920, and accordingly the index number for that year was placed at 100. By 1921 the index number had fallen to 87.4 and from that time on there has been a gradual rise, until to-day the index number is at 98.4. In other words, there has been an increase in the index number of practically 11 points. Every point in the index number represents over 8,000 people. The total increase in employment, as estimated for me to-day by the bureau, shows a gain in all our industries of about 100,000 since 1921. This cannot be

said to apply to the motor car industry alone; it is spread over every industry in the Dominion. A population of 100,000 workers unquestionably means a total population of about half a million, assuming that it is true to say that those dependent upon industrial workers represent a ratio of 5 to 1. I believe therefore that the industrial improvement in this country during the past four years represents an improvement in population of 500,000.

This increase in industrial development can best be judged by the rise of security values, and there is no one in this House at the moment but is willing to admit that we have had a tremendous increase in our security values. The common stocks of our banks have improved; that speaks well for the solidity of our financial houses and for the volume of transactions. Our power stocks have all improved; that speaks well for the consumption of power in this country—and we must remember that the greatest consumer of power is industry. Our manufacturing stocks have also improved, and not even in some of the lines of industry for which members of parliament are wont to beseech further consideration of customs tariff do we find any necessity for assistance.

The hon. leader of the opposition, I think, was trying to take a fall out of me in his speech on the address when he asked me to give to tariffs for other industries the same support I gave to a tariff for the furniture industry. May I point out that the furniture tariff is 30 per cent general, 27½ per cent intermediate and 18 per cent British preferential as against a general tariff of 35 per cent on all woollens, an intermediate of 25 per cent on knitted goods, 27 per cent on flannels, 29¾ per cent on fabrics, socks and stockings, and a British preferential of 18 per cent on knitted goods and flannels, 22½ per cent on socks and stockings and 24¾ per cent on fabrics. It is therefore evident that the furniture industry is not one of our highly protected industries, and I do not think our furniture or woodworking manufacturers—and they are not asking for increased protection—can show as rapid a rise in the value of their stock as can Penman's—from 152 to 186 in two years; as can the Dominion Textile common stock—68 to 107; as can Canada Cement—92 to 131 in a like period. I could give a long list of other industries whose stocks show a similarly rapid rise, but I will not weary the House with further examples. No, Mr. Speaker, the position of the industrial life of this country the government does not take entire credit for; but the government does take credit for making the pathway along which business can proceed profitably and easily and to that extent it is entitled to credit.

[Mr. Malcolm.]

The business of this country is expanding, as my hon. friend said, owing, for one thing, to the enormous production of our agricultural wealth. It is also expanding because there has been a very great improvement in our exports of manufactured products. As the hon. member for Macleod mentioned, our exports are 56 per cent agricultural. Let me ask him what the other 44 per cent represents. From year to year we have been developing a greater market abroad for our manufactured goods. Our trade commissioners, established by Sir George Foster when he was Minister of Trade and Commerce, have done good work in various parts of the world. Canadian implements and Canadian automobiles are becoming well known in all parts of the Empire. Our industrial life is growing apace with our agricultural wealth, and I believe every hon. gentleman will agree with me that that is what we desire. We do not want to be a one-sided nation. As my hon. friend the former member for Lambton said, we want to be a well-rounded household, able as far as possible to create wealth within ourselves, but able to sell our wealth in the form of merchandise to other countries.

My hon. friend from West Calgary referred to the exhaustion of our mineral wealth In the course of his speech following the introduction of the budget he mentioned that we exported a tremendous amount of minerals. It is true that we exported about $52,000,000 worth to the United States but we also imported from the United States $83,000,000 worth of minerals in the same time. That is not a very bad state of affairs.

Mr. BENNETT: One was coal.

Mr. MALCOLM: It is true that we exported a million dollars worth of nickel, but we imported a million and a half dollars worth of aluminum. We did not export any iron ore, but we imported a considerable amount, worth a million and a half dollars. It is true that we have exported gold, but I would like to ask my hon. friend of what use gold is if we do not export it. We cannot use it all in the fine arts. Gold is a medium of exchange; it is very valuable, but we in this country do not want to hoard all the gold we produce. We imported $50,000,000 worth of coal, but my hon. friend has a most logical mind, and I would suggest that since the exportation of mineral is an exhaustion of our mineral wealth, surely the importation of coal is a conservation.

Mr. BENNETT: I will answer that at once. The estimated coal in the province of Alberta alone is enough to take care of the needs of the British Empire for something like half a century.

Mr. MALCOLM: I quite recognize the value of my hon. friend's comment, but I would like to know the estimated wealth of the north country in gold and other minerals, and whether he has any fear of those?

Mr. BENNETT: I was referring principally to asbestos, nickel and wood pulp.

Mr. MALCOLM: I must say that my friend even went further than the leader of the opposition, who in his speech on the address said it was all right to export farm products as they were replaceable. My hon. friend said the other day, however, that they were not replaceable, to a certain extent, as they exhausted the soil. He recalls to my mind a very frugal and cautious countryman of mine in the county of Bruce; he wasna' happy when he had no crop because he had no siller, and he wasna' happy when he had big crops because it was hard on the land.

Even in connection with immigration, which is so much discussed, the figures are improving. Last year 134,984 immigrants came to our shores as against 84,000 registered in 1925, but most significant of all, and the thing I think we should be most happy over, was the fact that 48,000 Canadians came back from the United States, and at the border declared their intention of residing in Canada. We are not increasing our population nearly as fast as we should, but I believe that if the feeling of optimism and of loyalty to our government and institutions is preserved; if those of us who are out of power quit knocking our country and all join together, our immigration figures will rapidly improve. It is little wonder that people went from Canada when half the people were saying Canada was not fit to live in. I am glad to compliment my friend the ex-Minister of Finance (Mr. Bennett) for giving the lead to the note of optimism and for pointing out to this House that while there is something to be gained by destructive criticism, much more can be done by constructive suggestion.

The volume of business done in this country has been enormously increased in the past year; the figures of the clearing houses in the different banking centres show that in 1926 they handled commercial paper to the extent of $30,358,000,000. In 1925 the amount was $28,126,000,000, and in 1924 $27,157,000,000. Therefore it will be seen that the financial transactions in this country have been gradually improving, and conditions becoming better. Both official and non-official figures on building construction show a marked improvement. MacLean's building reports show contracts awarded in the past year to the amount of $373,000,000, in round figures, while the Statistical Bureau, which deals with sixty-three cities, reports a figure of $156,000,000; in both cases the transactions show an increase of 25 per cent. My hon. friend referred to life insurance, which is another good indication. Life insurance in force is amazingly large in Canada; in 1921 the figure was $2,934,000,000, and at the end of 1925 that had reached $4,159,000,000. It is estimated by competent authorities that to-day the Canadian people are carrying insurance on their lives to the extent of $4,500,000,000. Surely that is an indication of prosperity, and it has taken place in the short period of five years. Another good indication of wealth is the number of motor car registrations. That number has increased from 465,000 in 1921 to 728,000 in 1925, which is an indication of the ability of people to purchase luxuries. The number of telephones in use in Canada, also an indication of the ability of the people to procure conveniences rose from 902,000 in 1921 to 1,114,000 in 1925.

Perhaps the best indication of all as to our condition is the Canadian National Railways. In 1921 the government of my honoured leader came into power facing a deficit in operation of $11,000,000. The fact cannot be gainsaid that the rapid change in the financial condition of the National railways, which I will leave the Minister of Railways (Mr. Dunning) to enlarge upon, has been a very great factor in reducing our taxation. In the five years the situation has so changed that to-day we have an operating surplus of over $46,000,000, making a total change of about $58,000,000 in that short time. I will deal in a moment with the expenditures and receipts of the country in this connection, but before doing that I would like to make one other reference. When a people numbering 9,000,000 are able to handle $30,000,000,000 worth of transactions through banking houses in a year, when they are able at the same time to pay premiums on $4,500,000,000 of life insurance; when they are able to pay taxes amounting to $35 per capita and, in addition, increase their savings in actual cash in the banks to the enormous total of $1,372,000,000, they are not in very bad condition.

I would like to deal for a moment now with the expenditures of this country, divided into two columns to show the relative importance of the expenditures made on the Canadian National Railways in the last few years. The

first column of figures is taken from the public accounts of 1925-26, at page 44, and is exclusive of advances made to the Canadian National Railways, the Canadian Government Merchant Marine and so forth. The second column is taken from the Canada Year Book of 1925 at page 767, and is inclusive of the advances to the Canadian National Railways, the Canadian Government Merchant Marine, and so forth.

1920-21..	$418,620,544	$528,302,513
1921-22..	365,701,791	463,528,389
1922-23..	350,608,547	434,735,277
1923-24..	344,021,787	370,589,247
1924-25..	339,902,776	351,169,803
1925-26..	343,980,513	355,186,423

And for the first ten months of 1926-27 the figures are $267,758,384 as against $278,293,593. When you review these figures it will be seen that the difference to-day as compared with the condition in 1920-21 amounts to practically $100,000,000 the sum which the government of that year had to find for the Canadian National Railways. Is there any reason why Canadians should not be proud of the success of that system? I think not. Is there any particular reason why grave criticism should be made against the man who has brought that about? I think not. Sir Henry Thornton is not operating the Canadian National railway system alone and much credit must be given to that very loyal, worthy and clever band of operators who form the executive staff under him. To these men great credit is due. But Sir Henry Thornton himself has done well. He has created a feeling of pride among the Canadian people in their system, he has created a feeling of loyalty in the employees of that system. In other words Sir Henry has sold the national system to the people and to the employees, with a consequent saving of one hundred millions to the taxpayer.

The hon. member for West Calgary (Mr. Bennett)—I am sorry he has left the chamber—dealt with a rather clever and unique suggestion as to the financing of the national debt. The hon. member for Macleod (Mr. Coote) did not comment very extensively on that scheme. I have no doubt in the world but that a man of the experience and ability of the ex-Minister of Finance gave the scheme most careful thought before he proposed it. On my part I have not gone into it sufficiently to justify any very detailed comment on it, but I do venture to draw a few points to the attention of the House. There is no doubt but that in time of great stress such as war, a government is entitled to confiscate if it wishes, for the saving of the nation. Constitutionally, under the War Measures Act, we were justified in doing many things that we would not be justified in doing in times of peace and prosperity. In the first place I do not know whether this particular scheme is constitutionally sound. Secondly I do not know but that the Dominion of Canada can get sufficient money without resorting to such a drastic scheme. Therefore I am not sure that it is economically necessary. Finally I am not sure but that it would not be morally wrong to ask the policy holders of the life insurance companies to make the sacrifice which would be necessitated by the investment of their funds in a lower rated security than would otherwise be the case, and that for the benefit of those of us who are not heavy holders of life insurance. To my mind the scheme is good if it can be worked out without inflicting hardship on those who have investments in the banks and expect the rate of interest to be governed by the earnings of the bank, as well as on those who have investments in bank stocks and expect their directors to be able to invest their money in the highest money market. If the scheme can be worked out as the hon. gentleman suggested by taking care of the surplus which is not earning four per cent, I think the suggestion is worthy of a good deal of consideration.

I have spoken for a longer time than I intended and I will now bring my remarks to a close. It is a cause of very great satisfaction I think to all members on this side, who have generally supported the policy of the British preference, to note the extent to which that policy has been taken up by other parts of the empire, and to see how it is coming to be supported by men on the opposite side here—by men who a few years ago were bitterly opposed to it. I was therefore delighted to hear the remarks of the ex-Minister of Finance on what he claimed was a better plan, namely economic union. My hon. friend is right in his desire but he knows as well as I know that in so far as the motherland is concerned, economic union is impossible except by the creation of a tariff in Britain under which she could give preferences. The creation of such a tariff would materially affect and indeed probably destroy her foreign trade. The success of the mother country is based upon her trading, her revenues from her shipping, her revenue from control of merchandise the world over. Therefore we feel that our contribution towards empire unity should be the installation of preferences in so far as we can, and we have accepted the doctrine that we will give to the British government preferences on Britain's exportations of

merchandise to this country, knowing that the same preferences must and will extend to other parts of the empire. I say this not only from the standpoint of empire trade, not only from the standpoint of empire development but from the basic viewpoint of the development of Canadian trade; I believe that in the years to come, as Canada's manufacturing grows, we will be the greatest gainers of any part of the British Empire by the preferences granted to us by other countries.

My hon. friend the leader of the opposition made some reference to our foreign trade. I am going to crave the indulgence of the House for not going into the criticisms made by him on that particular occasion; I want to deal with that matter at a later time. I may say however that it is a question of very serious doubt as to whether the statements made in relation to the foreign trade of this country are accurate or not. Statistics purporting to show where our merchandise goes are not accurate. Statistics as to where our merchandise comes from are not accurate. The statistical department can only keep records as to what is supposed to be the country of destination, and can only keep account of what is supposed to be the country of origin. I have been endeavouring for some weeks to try and find a better scheme than we have at present for compiling statistics. Every man in this House knows that with the improved facilities for ocean radio, cargoes are diverted on the high seas just as cars on tracks are diverted in the domestic field. A cargo of grain leaves Canada and is billed to England. We class it as an export to the motherland. The Liverpool merchant intercepts it. It may go into the Mediterranean, say to Greece. We cannot follow where our cargoes finally go. As a result of the fact that the Netherlands and Great Britain are the two heaviest traders in Europe, they are credited with much of the merchandise which finally goes to other countries. In a similar way we are not credited with as much trade with some of our sister dominions as we actually enjoy. Premier Bruce referred to the great problem he had of justifying the small purchase we made of Australian merchandise. My hon. friend the leader of the opposition and the ex-Minister of Finance referred to the increase of our purchases from Australia, as being 300 per cent. As a matter of fact we did improve our trade with Australia about $2,000,000, each way it was about even; but the Australian sales to us were so remarkably small previously, that the two million increase we gave them did make an increase of 300 per cent, and taken on a percentage basis it looked ridiculous. But, Mr. Speaker, Premier Bruce makes the assertion that we are not buying anything like enough merchandise from Australia. I pointed out to him, however, when we discussed this matter, that it will be necessary for us to get some further statistics before we can substantiate that fact. We buy enormous quantities of Australian wool from the United States and Great Britain in tops, noils, or yarn. It comes in various forms. Some comes from the United States, but mostly from Great Britain. That wool is the product of Australia and Canada should be credited with importing it, just the same as the country which imports cereals from us should be credited with the exports which we send. In dealing with trade figures, therefore, it is a very difficult matter to determine exactly where the goods go. The general trade figures are therefore the most interesting and significant index. Whether or not we are doing as much foreign business as we should do is the question to be considered.

The hon. member for Macleod referred to the fact that there was a very great decrease in our foreign trade in the past year. He is hardly correct in his statement. Taking the fiscal year we did get to the enormous favourable balance of $400,000,000. The calendar year however shows a credit of only $275,000,000. That is largely due to outside factors. The British coal strike tied up navigation and made a scarcity of ships. Then there was an early freeze-up at the head of the lakes which tied up grain in the elevators. Everything tended to retard the movement of grain in the first ten months. It may be that in the coming year we shall see a freer movement of the crop in the spring, that we shall not be faced with the same navigation difficulties, and that we shall be able to get out a large proportion if not the whole of the year's crop. We may have from time to time unfavourable conditions such as these, but I believe the total balance of trade in Canada is satisfactory. What my hon. friend says with respect to overestimating the value of a favourable trade balance is also true. Some economists say that in times of prosperity when a country is growing the best, its balance of trade decreases. That remains to be seen. If we bring in capital from another country in the form of merchandise, undoubtedly such is the case. In the construction period of our railways, when Mackenzie and Mann and other railway contractors were borrowing money in Europe and taking not cash, but steel rails and equipment, we had heavier duties and an adverse balance of trade. That condition is not so likely to apply in Canada at present.

I have before me a table which I am anxious to place upon Hansard, a table which I think is worthy of review by members of the House. It deals with our exports and imports, our trade balances, favourable and unfavourable. There are forty-one countries with whom we have a favourable trade balance. Of these twenty-six are outside and fifteen inside the empire. The table shows twenty-seven countries with whom we have an unfavourable trade balance. Of these nineteen are outside and eight inside the empire. These figures are as accurate as we can compile them from present statistics, and I am sure they will be of interest to many an hon. member in discussing the question of foreign trade. The tables are as follows:

BALANCE OF TRADE, BY COUNTRIES WITH WHICH CANADA HAD A "FAVOURABLE" TRADE BALANCE, FISCAL YEAR ENDED MAR. 31, 1926.

Countries	Exports	Imports	Excess of Exports over Imports
	$	$	$
United Kingdom	509,266,143	163,731,210	345,534,933
Irish Free State	4,709,565	19,318	4,690,247
Africa, British East	995,022	102,682	892,340
British South	9,087,748	129,579	8,958,169
British West	587,210	406,723	180,487
Bermuda	1,176,583	77,097	1,099,486
British Honduras	513,078	271,293	241,785
Jamaica	4,800,033	3,783,481	1,016,552
Trinidad and Tobago	3,921,941	1,061,514	2,860,427
Other	3,889,892	996,335	2,893,557
Gibraltar	61,269		61,269
Hong Kong	1,891,248	1,546,166	345,082
Malta	277,861	221	277,640
Newfoundland	11,655,670	1,615,132	10,040,538
Australia	15,418,236	3,042,054	12,376,184
New Zealand	16,579,861	2,725,235	13,854,626
Argentina	12,639,776	3,454,108	9,185,668
Belgium	22,893,264	6,953,173	15,940,091
Bolivia	173,983	1,031	172,951
Brazil	4,832,391	1,848,758	2,983,633
Chile	1,410,484	670,145	740,339
China	24,479,396	2,547,995	21,931,401
Costa Rica	215,050	77,065	137,985
Denmark	6,215,474	137,466	6,078,008
Ecuador	150,173		150,173
Egypt	1,340,020	77,858	1,262,162
Esthonia	86,317		86,317
Finland	1,578,554	43,586	1,534,968
French Africa	211,016	8,501	202,515
French West Indies	223,778	1,169	222,609
St. Pierre and Miquelon	521,458	36,442	485,016
Germany	30,763,192	9,986,763	20,776,429
Greece	3,709,798	334,909	3,374,889
Hayti	608,351	130,162	478,189
Italy	12,801,832	2,597,759	10,204,073
Japan	34,702,876	9,564,074	25,138,802
Jugo-Slavia	105,156	1,407	103,749
Lettonia	528,765	400	528,365
Netherlands	23,764,224	6,864,563	16,899,661
Dutch East Indies	3,881,957	1,729,283	2,152,674
Dutch Guiana	108,136	7,442	100,694
Norway	6,769,717	630,781	6,138,936
Panama	483,650	4,410	479,240
Poland and Danzig	2,295,215	35,566	2,259,649
Azores and Madeira	79,297	69,946	9,351
Portuguese Africa	811,086	20,770	790,316
Roumania	305,169	2,363	302,806
Russia	3,788,266	7,207	3,781,059
Salvador	131,146	54,623	76,523
Siam	294,246	95,731	198,515
Canary Islands	78,581	916	77,665

BALANCE OF TRADE, BY COUNTRIES WITH WHICH CANADA HAD A "FAVOURABLE" TRADE BALANCE, FISCAL YEAR ENDED MAR. 31, 1926.—*Concluded.*

Countries	Exports	Imports	Excess of Exports over Imports
	$	$	$
Sweden	3,550,729	1,134,644	2,416,085
Syria	47,586	3,940	43,646
Alaska	275,382	191,715	83,667
Philippines	172,731	74,253	98,748
Porto Rico	866,688	2,372	864,316
Uruguay	1,910,269	69,558	1,840,711
Venezuela	1,483,522	188,761	1,294,761
Sudan	45,445	13,534	31,911

BALANCE OF TRADE, BY COUNTRIES WITH WHICH CANADA HAD AN "UNFAVOURABLE" TRADE BALANCE, FISCAL YEAR ENDED MAR. 31, 1926

"Unfavourable" Balance

Countries	Exports	Imports	Excess of Exports over Imports
	$	$	$
Aden	50,320	36,640	13,680
British East Indies—			
British India	9,477,453	7,422,231	2,055,222
Ceylon	2,747,442	606,886	2,140,556
Straits Settlements	4,674,388	3,597,657	1,076,731
British Guiana	4,503,203	2,312,861	2,190,342
Barbados	4,130,822	1,641,372	2,489,450
Fiji	2,567,204	271,931	2,295,273
Austria	196,033	22,849	173,184
Colombia	693,058	685,843	7,215
Cuba	11,063,284	8,536,084	2,527,200
Czecho-Slovakia	1,272,045	133,728	1,138,317
France	19,151,699	14,051,111	5,100,588
Guatemala	256,523	152,455	104,068
Honduras	582,153	169,879	412,274
Mexico	3,684,460	3,008,249	676,211
Nicaragua	78,665	46,267	32,398
Paraguay	47,735	46,099	1,636
Persia	152,980	17,691	135,289
Peru	5,700,109	1,227,162	4,472,947
Portugal	348,817	121,795	227,022
San Domingo	6,791,339	350,256	6,441,083
Spain	2,085,850	832,547	1,253,303
Switzerland	7,462,608	1,232,317	6,230,291
Turkey	344,268	110,597	233,671
United States	609,719,637	485,952,235	123,767,402
Hawaii	251,253	13,347	237,906

I have spoken at greater length than I had intended, but I wish to say this in closing; with the finances of Canada improving as they are; with taxation being gradually lightened, whether it be by reducing direct or indirect taxation I care not; with trade responding and with our people happy, can we not as a nation outgrow what has been going on in this country since confederation and what does not as a matter of fact obtain in the United States? Elections take place in that country, but the day after the election the United States is the best country in the world to the Americans and they are all boosting for it. Unfortunately the party in opposition in

Canada has for many years been trying to discredit the party in power by saying that the country is going to ruin at the hands of the government. No one party alone has been guilty of such tactics; we have all been guilty of them. Can we not as a nation criticise the government in power fairly and constructively? Can the government in power not be big enough to take constructive suggestions from the opposition and apply some of them? Under the conditions existing in this country to-day we have as a people more to be proud of than any Canadian citizens had in the past, and I look forward to this era as being the greatest in the history of our Dominion. Let us do our part.

Hon. R. J. MANION (Fort William): Mr. Speaker, let my first words on rising be words of congratulation to the Minister of Trade and Commerce (Mr. Malcolm) who has just taken his seat. This is the first opportunity I have had of congratulating him upon his elevation to the cabinet, and after his very excellent speech, with a great deal of which many if not most of us, can agree. I should like to point out to the Minister of Finance (Mr. Robb) who is leading the government at the moment, that the wisdom of the government is revealed in their taking a good, stable, allround protectionist into the cabinet. I repeat that with much of the speech of the Minister of Trade and Commerce we can all agree. There are parts of it which might be criticised; but as I have my own speech to make I do not intend to take up much of the time of the House in dealing with the remarks of the hon. gentleman.

With the appeal which the minister made just as he was closing his speech I think the whole House can agree. When he points out that it is the duty of an opposition not to offer only destructive criticism but to offer constructive criticism, I might point out that if he will look back over the speeches of many members of the opposition during the last few years, he will find that while there has been a good deal of destructive criticism based upon facts there has also been a good deal of constructive criticism. If I may be pardoned for a personal reference, I have endeavoured all my life never to make a speech that is wholly destructive. I feel that a speech which is wholly destructive is one that is of very little use to anybody or to any party. All speeches should at least finish with something constructive on behalf of the man who is making it and the country which he is trying to represent. So no one will quarrel with the hon. gentleman, but of course the hon. gentleman, now being a member of the government, would like, and quite justifiably so, to have the members of the opposition never offer any criticism at all.

Mr. MALCOLM: Oh, no.

Mr. MANION: What he would like, and what members of the government would naturally like, would be that members of the opposition would do nothing but tell them how to carry on the business of the country. That would be constructive criticism, and anything else would be destructive criticism. Let me ask him if it is destructive criticism to point out the facts? I do not think so. I believe if we stand up in this House and refuse to point out the facts as we see them, facts which are perhaps not useful to be published but which the country should know in order to correct any ills which arise from them, we are not doing our duty as an opposition. For example, the hon. gentleman mentioned immigration. Unfortunately the immigration that is coming in at the present time is nothing like the immigration that should be coming in, and nothing like what was coming in before the war, back in 1913 and 1914. Unfortunately the exodus from this country —and this is supposed to be a great deal of the destructive criticism which we have offered at different times—is going on to too great an extent. I hold in my hand a despatch from Washington of February 2. I meant to use it at a later point in my speech, but I will read it now. It states:

> During the last six months in 1926 a total of 49,335 persons emigrated from Canada to the United States, according to the report of Immigration Commissioner Hall, made public to-night.

That may be said to be destructive criticism. I shall be told by somebody that by telling that, I am causing people to give up jobs which they have in this country and run off to the United States to hunt up new jobs. I tell it for this reason, that I think there is too much of an exodus from our country; it means that too many of our boys and girls are giving up their homes in this land of ours and going to the United States to earn a living. I give it with the sincere hope that this government, which will probably be in power for some time—

Some hon. MEMBERS: Oh, oh.

Mr. MANION: I admit that freely. It is not likely that we shall have an election within a year or two. I mention it in the hope that this government will endeavour to correct an evil which means that we are losing

our young Canadian boys and girls to the United States at the rate of 100,000 a year, not counting those who are going by the underground route. It is a constructive suggestion to the government to do everything they can to cure that ill.

Dealing with the budget itself, I do not wish to be factious in my criticism in any shape or form. I intend in this speech—and I so intended before the minister sat down—to make a few criticisms of the budget, and then to offer to the government what I consider to be a very constructive suggestion, one which I have offered before but which has been little heeded, although it has to do with a matter of the utmost importance, not only to one great section but to all sections of this country. There is not very much that fair-minded people can criticise in this budget. It was probably a good, fair presentation of the facts as seen by the Minister of Finance, except of course, that one might criticise a little the political padding which it contains. For example, the Minister of Finance—and this is only an example; I will not go any further with it—said that all the factories in Canada are working full time. I could take him to a number of factories in my city that are not. I could take him to one factory which was working prior to the time this government came in but which is not working at all now, a factory which employed three hundred people and which with a very small amount of protection would open up again and sell its goods to the prairie provinces and the rest of the country which are now being supplied by American products. I could take him to other factories in my city which are working half time because of the goods that are being imported from foreign countries where labour is cheap and living conditions are much lower than ours. Surely those are not good conditions. I venture to say further that there are many representatives in this House who come from industrial constituencies who could take the minister to plants in their constituencies where similar conditions prevail.

Mr. HANSON: The boot and shoe trade, for instance.

Mr. MANION: Yes, that is one, but I shall not go into that now. It is the prerogative of the Minister of Finance, to which ever party he may belong, when he is bringing down his budget, to paint things in the rosiest possible light. It is his duty to do that, and I do not begrudge him it at all. But my hon. friend from West Calgary (Mr. Bennett), in one of those brilliant speeches of his to which we all are pleased to listen, exposed some of the fallacies of the reasoning of the Minister of Finance. He pointed out that while there was in the budget of last year an apparent reduction in taxation, there was actually a real increase in the amount taken from the people. Certainly it is a strange paradox when you can cut down taxation and yet take more money from the pockets of the people.

Mr. DUNNING: It always happens.

Mr. MANION: It always happens when the Liberal party is in power. I fear that the Minister of Finance is somewhat of a financial Christian Scientist. He realizes that it is not so important to cut down taxes as to make people think you are cutting them down. I well remember a witticism of Mr. Dooley, that famous character of Finley Peter Dunne. He said that if Christian Scientists had a little more science and medical men a little more Christianity, it would not matter which you called in so long as you had a good nurse. Now the Minister of Finance is the financial nurse of the Canadian people, and I will admit that he has put over his financial Christian Science so well that he has made a great many people believe that they have had their taxes reduced, when as a matter of fact they have not been reduced to the extent he points out.

The Minister of Finance came into Ontario in the election campaign, and like another warrior of some centuries ago, I will admit that he came, he saw, he conquered. He impressed the people very much. He has such an honest, frank appearance, almost too frank at times. Outside of the Minister of the Interior (Mr. Stewart), the Minister of Finance is the most honest looking man in the present government, and on one occasion I remember pointing out in the House that the Minister of the Interior looks more honest than any man could possibly be. So when the Minister of Finance came into Ontario the people looked him over and said: Once more the Liberal party has given us an honest man. They had become almost hopeless of finding one in the Liberal party since my good leader and myself left it. They found the Minister of Finance was such a frank, blunt, honest gentleman, that they really believed him when he told them he had cut down the taxes of every man, woman and child in the country, for that is really what he said. The Minister of Finance, the Prime Minister and all the other ministers, and their friends too I suppose, stated that the taxes of every man, woman and child had been cut down by the last famous Robb budget.

Mr. STEWART (Edmonton): They did not need to tell them. The people believed it.

Mr. MANION: That is what I say; that is where the Christian Science came in.

Mr. DUNNING: They felt it in their pockets.

Mr. MANION: The Minister of Finance forgot to tell them that while the automobile cuts he made may have perhaps lowered the price of automobiles, that did not affect the family of the ordinary workingman. He forgot also to point out that the ordinary workingman is not an income tax payer, and that the ordinary workingman does not give many receipts, from which the Minister of Finance took the tax last year. He might have added that the ordinary workingman in Canada has given many less receipts in the last four years than ever before, unless you take into account receipts for visas and passports to go to the United States; for apart from that the ordinary workingman has not had very much to give receipts for. I repeat what I stated last year: The only reduction made in the cost of living to the ordinary workingman in this country by the budget of last year was an occasional one-cent postage stamp on the letters he mails. I will admit that the present budget is a little improvement on that because the Minister of Finance this year has reduced the sales tax, and that will be of some benefit to the ordinary working people. But I would point this out in regard to the sales tax: When we went out of power in 1921, our sales tax was three per cent. It was raised to six per cent by the incoming Liberal government, of which the Minister of Finance was a member; was lowered to five per cent last year, and the minister now reduces it from five to four per cent, or reduces it, as he says, twenty per cent; so the sales tax is still about 33⅓ per cent, to use the minister's own method of figuring, higher than when we went out of power in 1921. I fear that cutting it from five to four per cent will not make a very great deal of difference to the ordinary workingman.

The income tax has been reduced by this budget. There is nothing in that for the ordinary workingman of this country, for he does not pay income tax. We have also a reduction in the stamp tax on cheques and on notes and overdrafts, but the ordinary workingman does not indulge in any of those to any great extent, so the sales tax is practically the only thing by which the ordinary workingman will benefit by this budget.

I find myself sometimes propounding this problem to myself: How is it that this government, which avows that it contains the only Simon pure friends of the workingman, that it contains the real tribunes of the people, finds it so difficult to give proofs in its budgets of its love for the workingman? I remember reading of Tom Moore, the poet, saying that he wrote for the masses and the classes, but not for the asses. The budgets of my good friend the Minister of Finance are for the classes, but not for the masses. That is his attitude in regard to the workingman.

An hon. MEMBER: Where are the asses?

Mr. MANION: The asses are those who believe everything the Minister of Finance tells them in regard to budget taxation.

Oh, yes, I forgot one cut that the minister has made in this budget for the workingman, and that is in the excise duty on matches. Those pipe smokers who smoke more matches than tobacco now have the gratifying knowledge given out by the Eddy Company the other day that there will be a one cent reduction in the price of a large box of matches. So the workingman does gain a little there.

May I sincerely congratulate the Minister of Finance on one feature of his budget, and that is that he has quit, for this year at least, the tariff tinkering which did so much to bring about instability and depression in business, unemployment, and that exodus from our country which has been greater in the past four years than ever before in our history. At the same time I find myself wondering what has become of those boasts he made, as well as the Prime Minister and other members of the government, even the Minister of Trade and Commerce this afternoon indulged in them—that these cuts in the tariff have not only improved the industries concerned, but have improved the conditions of the ordinary workingman and have helped to bring about general prosperity.

Mr. DUNNING: They have.

Mr. MANION: If they have, why is it the Minister of Finance has stopped making cuts? What has become of that famous speech of my good friend the Minister of the Interior regarding the death knell of protection? What about those famous speeches from the housetops of the Minister of Immigration on the beauties of free trade? The real fact, Mr. Speaker, is this, that the Minister of Finance has at last come to the conclusion that we have been right in saying during the past

four years that what Canada wants is a stable tariff policy. We have not been advocating a high tariff policy, but have been advocating a stable tariff policy, and I submit that the Minister of Finance should be thoroughly congratulated on his adoption of the views we have adhered to and expounded for the past four years.

After recess I propose to take up another subject of great importance to this Dominion of Canada.

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

Mr. MANION: Mr. Speaker, when the House rose at six o'clock I was congratulating the Minister of Finance on the fact that he had once more come back to the sane attitude of a stable tariff policy for this country. I was pointing out that his budget represents the attitude which has been advocated by the party on this side of the House for the past four years, and that we were all happy that the tinkering with the tariff, which had caused so much depression and unemployment and such a great exodus from our country in the past four years, had been halted for some time at least; and I was asking him why, if the cuts in the tariff which he had made in his former budgets were good for the industry of the Dominion, they had been discontinued.

I wish, now, Mr. Speaker, to devote a few moments to general questions affecting the country as a whole before coming to the constructive suggestion that I hinted at—a suggestion, it is true, applying largely to one great section of our country, but which if adopted would have a very marked and profitable effect upon the country as a whole. It has become more or less a trite saying on the part of our public men that Canada is confronted by many difficult problems, which are largely the outcome of geography. For example, it is said that we have on our hands a large railway problem, a serious taxation problem, a pressing immigration problem, a disquieting exodus problem, and perhaps a problem of sectionalism. In discussing these problems our public men in addressing various Canadian Clubs have divided our country geographically into four sections, although in some of my own platitudinous speeches I have increased these to five. These five sections are easily discerned when one looks at the map of the Dominion. First, there is the eastern section comprising the maritime provinces; then comes Quebec and eastern Ontario, which should be taken as another great section; next comes northern Ontario, which is often described as an uninhabited barren waste, but which extends for 700 miles from North Bay on the east to the Manitoba boundary on the west, and which I shall show in a moment is really a vast empire in itself; to the west again we have the prairie provinces; and, finally, across the Rocky mountains comes the fifth section comprising the province of my good friend from Vancouver Centre (Mr. Stevens)—British Columbia.

Each of these five sections, as has been pointed out many times, has its own resources, its own problems, its own aspirations and its own sectionalism; and if we are to progress as a nation, as has been said on frequent occasions—and I believe it is very true—we must in each of these sections treat our local problems rather from a national than a sectional viewpoint. In other words, we cannot develop this country in patches, we must look at all questions nationally, in a spirit of compromise, ready to do what is best for the Dominion as a whole, each section regarding the problems of the other sections in the kindliest spirit possible.

Mr. ROBB: Hear, hear.

Mr. MANION: Let me point out to you, Sir, a few examples of the problems to which I refer. In the maritimes we have had the very fine, kindly, hospitable people there—people whom I had the very great pleasure of visiting during the recent elections, and who are represented in this House by I think a group of men as brilliant as any group representing any other section of the country, if not the most brilliant—I say we have had those very kind people in a veritable slough of despond by reason of the problems confronting the maritimes, which problems the Duncan commission was appointed to study and to find remedies for.

The Duncan report has been laid before this House, but I regret to say, Mr. Speaker, that I have failed so far to discern in the budget speech any intimation from the Minister of Finance that he is prepared in any way to make provision for any of those recommendations. And my good friend from Pictou (Mr. Cantley) in the question he put to the Minister of Finance recently did not receive very much encouragement in this respect. However, I do hope that before this session is much further advanced the Minister of Finance and the government will show that they are deeply impressed with the Duncan report and propose to give effect to a large part, if not all, of its recommendations. Personally I am not directly interested in the maritimes, but I am interested in the build-

ing up of a great Canadian nation on this part of the North American continent, where my sons and yours may live and love and propagate their species, instead of being forced, as in the past, to go across to the United States to earn a living. Because of that feeling, I am looking at the maritime question as I try to look at the questions of the other sections of this country, from a national standpoint, the standpoint of building up a great nation in a great empire.

Then take Ontario and Quebec, which I have placed together, because despite all differences of race and creed these two sections have the same industrial, agricultural and economic interests, and even these sections have their troubles. We heard something of them here this afternoon, when the hon. member for Macleod (Mr. Coote) criticised the Minister of Finance because there were no more cuts in the tariff. That is an absolutely opposite attitude to that which I am taking, Sir. One of the problems of this great industrial section of Canada, eastern Ontario and Quebec, is that problem of a stable tariff policy. Old Ontario and Quebec have the big industrial developments of our country and they have the problem of regaining a stable tariff policy in order to carry on the industries of this country. You must have confidence in the country in order to carry on business prosperously and progressively, and I hope the members of this House from the prairie provinces will look at that problem in the same spirit I mentioned a few moments ago when I mentioned my standpoint in connection with the maritime question. They must remember that while they demand a number of things, they should consider the interests of this eastern industrial section of our country, and they should hesitate to destroy a tariff policy which, for a period of fifty or sixty years or more, has helped to build up the industrial life of Canada.

If you take Quebec alone, that province has its own problems, one of which was referred to by the Premier of Quebec in a recent speech when he said that it would be wise for the people of Canada generally to keep their hands off the British North America Act. In our country there are, unfortunately, what I sometimes call constitution mongers, people who are so worried about the constitution of our country, or so worried about the autonomy of Canada and so much afraid that we are subservient to some other part of the empire that they wish to put all the power of our people in the hands of this parliament. Mr. Taschereau, if I read his remarks aright as I think I did, stated recently that it was the policy of the people of Quebec to guard those rights which they were given in the British North America Act, of which they are passionately fond, and that he objected to any of those rights being taken away by any other part of Canada. He contended that the act should remain as it is unless changed by the same parliament which put it into force. I believe that to be a proper attitude; I believe this confederation may only be held together by looking at all matters in the light of the best interest of each portion of that confederation. The Prime Minister of Canada recently stated at a meeting in Toronto that if my leader and the present Minister of Justice (Mr. Lapointe) should get into an argument as to the rights of the minorities in the province of Quebec, the people of that province knew quite well from whom they would get the greater justice. I will not criticise that statement, but I will say that I am very sure Premier Taschereau was not worrying about the present government nor the present Minister of Justice, and neither would he have worried if our party had been in power. The Premier of Quebec was probably looking ahead forty or fifty years to the time when, instead of there being only two English speaking people to one French speaking person, there may very possibly be five or ten English speaking persons to one person speaking French, and he was fearing for the future of those minority rights which the French people of the province of Quebec value so highly. Again I say it is the duty of everyone to look at these problems in the same way as we looked at them when the question of confederation was first mooted.

I might take another section before I deal with the problem of my own particular part of Canada, referring now to the prairie provinces and British Columbia. They have their problems also, largely questions of transportation because of the great distance, in the case of the prairie provinces at least, to the seaboard. The situation is somewhat better now in British Columbia because of the Panama canal, but the prairie provinces have a long haul to the sea. It is true that Mr. Beatty recently stated that Canada has the lowest freight rates of all the countries of the world. I do not differ from him at all but, Sir, even though the freight rates are low, because of the vast distances over which our producers have to ship their grain to the markets of the world before it reaches seaboard, in comparison with the distances other grain-growing countries have to carry their products, even the lightest burden of transportation charges is quite heavy enough for the people to bear. Again I say it is the duty of those in other

sections of our country to look at these problems as broadly as possible, remembering at the same time that in Canada we have two great railway systems in which the people of Canada and the people of other countries have invested something like $3,000,000,000, and we must consider the rights of these railways to a certain extent.

I would like to deal for a moment with the Hudson Bay railway, and then I will pass on to the problems confronting my own part of Canada. The Hudson Bay railway is another sectional question; the only people who are arguing very strongly for its completion are those in the provinces of Manitoba and Saskatchewan. I may say here and now, very frankly, that I have very little faith personally in the Hudson Bay railway ever becoming a very serious competitor of the present railways as a grain carrying route. I am also free to admit that I may be wrong, but even with that feeling which I have expressed I have never opposed the Hudson Bay route, although it was wrongly said in the prairie provinces that I had done so. Yet I believe with many others that even if it turns out a failure, the millions spent there might be well spent if they bring about a better national understanding and a better general good feeling in our country than we have at present.

This afternoon the hon. member for Macleod (Mr. Coote) stated that Canada is an agricultural country, a statement which has been made very often. I am going to assume the risk of making a prophecy to-night, although I know that prophesying is a very dangerous game. I believe that within twenty-five years, instead of our greatest interests being in agriculture, Canada will probably have a far greater interest in minerals. Even in 1926, the past year, we produced minerals in this great country of ours to the extent of almost a quarter of a billion dollars, the exact figure being $243,000,000; that is the value of the products of our mines in the last year. It has been pointed out by geologists, and if you look at a geological map of our country you will find it to be so, that 85 per cent of our country is potentially a mineral country, and only 15 per cent agricultural. If those figures are accurate, and I have received them from geologists whom I could name if necessary, then I think I have some basis for the prediction I made a few moments ago. In Canada we have a vast extent of pre-Cambrian rock, which is the oldest geological formation known in the world, and it has been pointed out by these same geologists that all the rich mines in the world have been discovered in that rock.

[Mr. Manion.]

The rich Rand mines in South Africa; the Mysore mines of India, and the rich Australian mines have been discovered in pre-Cambrian rock, and more than half the surface of Canada is made up of this formation. If you look at this geological map you will find that there is an immense horse shoe of rock almost completely surrounding Hudson bay, taking in northern Quebec, in fact nearly all of Quebec; all new Ontario; northern Manitoba, northern Saskatchewan and extending up to the Arctic regions. This area contains about two million square miles, more than half the total area of our country, and it is all made up of pre-Cambrian formation. That shield of rock was described very recently by the secretary of the Ontario Mining Association as the greatest undeveloped mineral field left in the world. Those are his own words; I am using his own expression, and I believe it to be correct from my study of the matter. Mr. Corliss, one of the directors and general manager of the Mond Nickel Corporation, a very able and outstanding mining engineer who has been in the north country for about twenty years, in speaking of this same area stated that only 5 per cent to 7 per cent of that pre-Cambrian shield has ever been explored. That part includes a small section which juts down into the United States just west of lake Superior. In that 5 per cent to 7 per cent which has been explored we have the immensely rich copper mines of Michigan, which have been worked for nearly a hundred years and which turn out annually millions of dollars worth of copper; we have the immensely rich iron mines of Minnesota, which annually turn out about 60,000,000 tons of iron ore; we have also the Sudbury nickel mines, which supply 90 per cent of the nickel of the world, and which have turned out $700,000,000 worth of nickel since they were opened up hardly more than a generation ago; the rich Porcupine gold mines, and the rich Cobalt silver mines, to say nothing about the Rouyn district in the province of Quebec, the Woman lake and Red lake districts of northern Ontario, and the rich mineral areas up in northern Manitoba. If, as Mr. Corliss states, in from five to seven per cent of our country lying under this pre-Cambrian shield we have found the immense riches I have just mentioned, what lordly dreams we might conjure up in our minds of the possibilities of the exploration of the other ninety or ninety-five per cent of that area of pre-Cambrian shield!

Let me take the liberty for two or three minutes of presenting to the House a few facts, and many such could be given. These are so startling that it is worth while perhaps

to mention them because I think the question is a very important one. In the first place, look at the Hollinger mine, which I had the pleasure of visiting a few months ago. It is an immense gold factory which employs three thousand men the year round and which turns out in dividends at the present time about $6,000,000 a year. Eighty per cent of these three thousand men are Canadians and own their own homes, and the Hollinger mine is on the verge of becoming the greatest gold mine in the world.

Speaking of nickel, I mentioned a moment ago the fact that the Sudbury nickel mines produce ninety per cent of the nickel used in the world, that they have produced $700,000,000 worth of nickel since they opened up about a generation ago, and that they have paid about $100,000,000 in dividends.

Speaking of silver, the Ontario silver mines are stated to be adding one ton of silver a day to the silver supply of the world.

As to the district of northern Manitoba under this pre-Cambrian shield, the Flin Flon mine there is stated by authorities to-day to have $226,000,000 worth of ore already blocked out. A quarter of a billion dollars' worth of ore already blocked out!

In Ontario in 1910, roughly sixteen years ago, we produced $42,000 worth of gold; to-day we produce $31,000,000 worth, and the authorities declare that it will shortly become the second greatest gold producer in the world, second only to South Africa. Many other facts of this kind might be stated, if I wished to take up the necessary time. But the facts I have mentioned are so startling, so outstanding, it is a sufficient indication of what I mean when I speak of the importance of the great pre-Cambrian shield. And, Sir, it should impress upon this government the importance of the mineral aspect of our country which has not been sufficiently dwelt upon in the past. In fact I believe no government of the past has been sufficiently seized of the importance of the mineral development of our country.

Now, Sir, to get closer to the problem which I am going to discuss, if you look at the map of Canada—and it is sometimes worth while looking at that map—you will find that the northern section of Ontario to which I have alluded is in area an empire in itself. It is 700 miles across and is wider than the provinces of Manitoba and Saskatchewan together. It has been described as an uninhabited barren waste, and yet that area is as great as the area of England and France together, having a population of only about 200,000 people, but on account of its richness in pulpwood we, in association with the province of Quebec, are turning out much of the pulp and paper which is going to make an immense export from our country; and I have already mentioned some of the potentialities in regard to the minerals. But because of the scarcity of population up there and because of the small agricultural development, it is a heavy burden on the three lines of railways which run across it from east to west and from west to east. Any solution, therefore, which would bring about greater development, greater freight traffic in that section, would be beneficial not only to the railways, not only to that section, but as well to the country as a whole. In addition to that, Sir, any great development of that country—and it must take place ultimately—will mould into one mighty whole the two areas of Canada which that section divides.

Sir, besides the precious metals which I have briefly mentioned, and the fringe of which we have merely touched, we have in that section—and there are in other parts of the country which I will mention in a moment, for instance the province of Quebec, from which my hon. friend the Minister of Justice (Mr. Lapointe) comes—there are hundreds of millions of tons of undeveloped iron ore. Mr. Corliss, whom I quoted a few minutes ago, states that the United States government geologists have asserted that we have in northern Ontario nine thousand million tons of thirty-five per cent iron ore or better, which at the present rate of use of iron ore in the United States would last that country itself for over one hundred years. In addition to that, other great discoveries have been made in the provinces of British Columbia, Quebec, Nova Scotia, and Manitoba, the Belcher islands in Hudson bay showing the occurrence of immense deposits of iron ore; and in spite of the existence of hundreds of millions of tons, perhaps thousands of millions of tons, we are not using one ton of Canadian ore in the blast furnaces and steel plants of the country. We are importing to-day about a million of tons of ore a year, two-thirds from the United States and one-third from Newfoundland; and we imported last year about $200,000,000 worth of steel products, quite a large proportion of which would, under a proper policy, be produced in this Dominion.

In the development of iron ore, coal is very important indeed—in fact, iron ore cannot be converted into pig iron and steel without the use of coal. We imported as well last year about $60,000,000 worth of coal, and we exported about $4,000,000 worth. Yet we have down in the maritime provinces, in Alberta and in some other sections of the country immense deposits of coal, in fact the second largest coal deposits in the world. We have

also immense deposits of iron, which I have just described. Surely, Sir, with these vast deposits we should apply our brains to working out the problem of developing our own iron and steel industry from our own iron ore and our own coal. And, Sir, it can be worked out; in fact to my mind has been worked out, and I shall give proofs of that in a few minutes—because I shall not take up a very great deal of the time of the House on this occasion.

Sir, iron and steel are basic elements of commercial progress in any country. If you look over the commercial history of the world you will find every country on the face of the globe which has gone ahead very rapidly commercially has based the foundation of its commercial progress upon iron and steel development. That is true of England, it is true of Germany, it is true of France, it is true of the United States. I could give figures to prove that but I do not wish to take up the time of the House in doing so at the present time. May I point out, as well, to those who are studying international affairs that the iron and steel valleys between Germany and France are the cause, to a great extent, of the periodical wars between those countries. They are the cause at the present time of the difficulties in settling the problem between these two countries, showing the importance to any country of iron and steel.

Now before I go into further details, may I give you a few of the reasons why I am not a lone voice crying in the wilderness in regard to this great problem? In the first place an iron ore committee was appointed by the Drury government, the Drury progressive government in Ontario, I think it was in 1922. The committee investigated the whole iron and steel problem. They spent much time visting various parts of this country, they were men experienced in this question, they investigated the whole iron and steel problem of our country, and in 1923 when Mr. Ferguson had come back into power they made their report. They had not completed that report when Mr. Drury went out of office, they made their report to Mr. Ferguson. In brief their report was to this effect—that we could develop the iron ore resources of our country by a bounty, by a coöperative bounty, if I might express it in that way, given by the provincial and the Dominion governments towards that development. That report was accepted by the Ferguson government, they agreed to carry it out, and the question was put up to this government, here at Ottawa. But so far as I know no serious consideration has even been given it by this government. In 1924 I put a question on the order paper regarding it and was informed by the Minister of the Interior that the question was still under consideration. So far as I know it is still under consideration, and of course as we all know, that does not mean very much. In other words the Dominion government did not at all, so far as I know, coöperate in any way with the provincial government of Ontario.

But I should like to point out to you, Mr. Speaker, to the Minister of Justice (Mr. Lapointe) and to my other French-Canadian friends in this House, that Ontario is not alone interested in this great question. A few years ago in Quebec, around Chicoutimi, millions of tons of iron ore were discovered. It is described as titanic magnetic iron, and government geologists have passed upon this as being possible of economic development. That is stated in scientific issues of our government papers. Because of that immense discovery the Taschereau government in 1925 passed an act called the Iron Ore Premium Act, which is reported in an issue of Investigations of Mineral Resources and the Mining Industry, 1924, by the Department of Mines, as bringing forward the proposition that they would offer four-fifths of a cent per unit, that is, per one per cent iron, of any ore mined in Quebec and used in the steel plants or blast furnaces of that province. So the great Liberal government of Quebec, great at least from the standpoint of the Liberals, has come to offer a bounty for the development of the iron ore of that province. Surely if I have no weight with the Minister of Finance, the Taschereau government should have some weight. Here we are sitting to-night, midway between the Conservative government in Toronto and the Liberal government in Quebec, both of which have realized the importance of this great question and have offered bounties for the solution of it, and we have the Ottawa government, sitting here midway between the two, which, so far as I have been able to discover, has made no move even to consider the question.

In 1926 the Canadian National Railway officials issued a booklet, a copy of which I hold in my hand, and a perusal of which is worth the time of any hon. member. If any hon. gentleman has not read that booklet on the mineral resources along the Canadian National railways in northeastern Canada, he should make it his duty to do so at once. In that booklet they give pages to the iron ore question. They state that the Vermilion ranges and the Mesabi range in the state of Minnesota extend into Canada and they conclude their article on pages nine and forty-seven by advising that this Dominion government—and

I commend this to the Minister of Railways, who is giving me his kind attention—should coöperate with the provinces of Quebec and Ontario in the development of those ores by a bounty system. In addition I have letters from high officials of the Canadian National Railways to whom I wrote some years ago on this question. They point out to me that this is a vital question as regards not only Canada but the national railways, and at the bottom of one letter the following sentence is used:

I do not know of anything of greater importance to Canada than the development of our iron ore resources.

That the Canadian National take the attitude they do is, I think, a reason why this government should give the question some support.

But I have still another very good authority, a man who has the respect of all classes in this country, a man who certainly has the respect of all the Liberal party in this country, a man who is looked upon as one of our Canadian statesmen. I refer to the Right Hon. W. S. Fielding, who made two speeches in this House dealing with this question. One was in 1909 and the other in 1920. Naturally I did not hear the one in 1909, but I did hear the one in 1920 and I listened to it with pleasure. I took the trouble to look it up and I have on my desk the statement regarding this question. I will read just a couple of passages, although the whole speech dealing with bounties is worth reading. He was dealing not directly with the question I am supporting, that is, the giving of a bounty for these iron ores, but with the question of bounties for the iron and steel industry, which bounties, he pointed out, were instituted by the Conservative government under Sir Charles Tupper before the Liberal party came into power in 1896, and which he carried on. This is from Hansard of 1920, volume 2, page 2505.

Bounties on iron and steel originated with the Conservative government in the days of Sir Charles Tupper. The operations under them were not large. There was a small operation in the province of Quebec and another in the province of Nova Scotia. I have not the figures but I think no very large sum was paid out until after our government took up the question.

Then on the next page he says, and this practically sums up the conclusion to which he comes:

At all events the time came when the bounties automatically ceased, and to-day no bounties are paid. What was the result of that? Was there anything in the result which would justify that departure from free trade principles? I am afraid my farmer friends will not agree, but I believe it is susceptible of proof that every dollar that was paid out by way of bounties on iron and steel, and millions were paid out—

By the way, between $18,000,000 and $19,000,000 were paid out.

—came back to the Dominion treasury in the form of excise and customs duties on the new business created as the outcome of that policy. I think that can be established as a pure financial question, but there is more than that.

Then he goes on to describe the growth of the iron industry in Nova Scotia, New Brunswick and some of the other provinces. I made it my business, since reading his remarks, to look up the growth of that iron and steel industry, and it is worth while putting on record a few figures which are very expressive of the growth of the iron and steel industry after the bounty system had been inaugurated in this country by Sir Charles Tupper and supported by Mr. Fielding and the Laurier government, just as the old national policy of Sir John A. Macdonald was carried on by them in the same way.

In a pamphlet called Iron and Steel, which I have under my hand and which was issued by the Statistics branch of the Department of Trade and Commerce, they point out that in Canada in 1924 there were 1,005 iron plants manufacturing iron and steel with a combined production of $371,000,000, and capital employed $537,000,000; men employed, 79,000, and wages paid, $100,000,000 per annum. What I am going to give now is of interest to my friends, particularly from the prairie provinces; I refer to the distribution of these different plants. The distribution is as follows:

	No. of plants
Ontario	645
Quebec	174
British Columbia	69
Nova Scotia	36
Manitoba	32
New Brunswick	20
Alberta	18
Saskatchewan	6
Prince Edward Island	5

In other words, every one of the nine provinces of this Dominion had some of those iron and steel plants, the foundation of the progress and prosperity of which was laid in the bounties of the Conservative government, followed by the Laurier-Fielding government. If I may digress just for a moment, I should like to point out in this connection the progress that is being made in manufacturing generally in those western provinces. The Statistics branch of the Department of Trade

and Commerce, in the same year, 1924, issued a report on manufacturing in the four western provinces. The figures are as follows:

Four Western Provinces

Capital invested in manufacturing	$458,000,000
Gross value of the products	384,000,000
Wages paid	76,000,000

I do not wish to go into details, but in order to explain the point a little further I may say that about one-half of that development has taken place in British Columbia and the other half in the three prairie provinces. Therefore, not only in iron and steel but in manufacturing generally the western provinces have profited by the policy which we advocate on this side of the House, and which was carried on for so many years by the Laurier-Fielding government for the purpose of assisting so far as they could in building up the industries of this country.

I have still one more reason, and then I shall have concluded with my reasons why this question is worthy the consideration of this government. I refer to the Duncan report, which I mentioned a few moments ago and which is of the utmost importance to at least one great section of this great country. The Duncan report deals with the different problems in the maritime provinces. It deals, among others, with the coal problem and it gives three recommendations for the solution of the coal problem of the maritime provinces. In the first place it says that the tariff board should immediately investigate the reasons for imposing, if necessary, a tariff on coal coming into this country. I believe that is being done by the tariff board at the present time. Secondly, it advises federal aid to coke ovens. That means a bounty system. Third, it advises that a bonus should be paid on all Canadian steel when it is made with Canadian coal.

I have given you, sir, the report of the Duncan commission, which backs up absolutely the attitude I am taking, and I hope that that report, not only in regard to coal but in regard also to other branches of industry in the maritime provinces, will be acted upon by this government in the very near future. I have cited to you authorities from all sections of our country and support from all classes in our country, support from political leaders of opposing parties and different sections, in regard to the necessity of this government giving some attention to the development of the iron and steel industry in Canada. There is this to remember. If you offer a bounty for the development of iron ore in this country and no Canadian iron ore should be developed, not one dollar will be lost to the treasury; in other words, failure will cost you nothing.

[Mr. Manion.]

It might be asked why the United States is not giving bounties for the development of this industry. There are many reasons. In the first place the United States is an immensely rich country, and it is much more densely populated than Canada. In the second place they have richer ores than any that have so far been discovered in Canada. I have been over there and have stood on the brink of a body of ore that stretched as far as from here to Keith's theatre, into which trains were running, loaded with ore by means of steam shovels. That ore is very easily mined. Again, they have immense capital; they have their own railways and steamboats: and, as well, they have a tariff which has built up the iron and steel industry in that country.

Mr. DUNNING: I wonder if my hon. friend has given any thought to the side of this question which he touched upon a moment ago when he spoke of the very much better quality of ore, the higher iron content of the United States ores as compared with Canadian ores, from the point of view of how high a bounty would be required in Canada to make it more economical for Canadian iron and steel plants to use Canadian ore of the lower quality, rather than import United States ore as they are doing at present.

Mr. MANION: I have given a good deal of thought to that, but I do not wish to go too much into detail to-night. There are reports before this government and before the provincial governments. They have an act in the province of Quebec under which a bounty of four-fifths of one cent per unit is paid, which would work out at about 40 cents a ton of 50 per cent iron. To my mind, although I am not an authority at all, that would not be sufficient to develop our bodies or ore. But I have the impression that once our iron ore deposits have begun to be really developed we will find some richer types of ore such as they have in the United States. With all the immense deposits of iron ore we have in this country, surely the good God did not let all the good ore stop at the 49th parallel. Surely Canada has been treated a little better than that.

Mr. DUNNING: The Belcher deposits are better.

Mr. MANION: Yes, they are better. I noticed in the Financial Post issued just a few days ago an article dealing with Belcher deposits and saying that Captain Bernier was being employed to go up to Belcher island and take a cargo of iron ore from there to England for testing purposes; and if it is found worthy of being developed they are either going

to carry the ore across to England or build some plant on the border of the Hudson bay, if they can get the water power they require.

Mr. James J. Hill, that great Canadian-American, wrote a book in 1910 from which I quoted in later years in this House. He stated in this book that those immense deposits of American ores would in from twenty-five to fifty years be well within sight of depletion. To-day the rich ores in the United States are being so rapidly depleted that they are beginning to use the lower grade ores, ores of a very much lower grade than they were using twenty years ago, and it is only a matter of time when we would bring in our low grade iron ores. I am one of those Canadians who do not wish the development of my country to take so long that we shall all be gone and forgotten before any of these immense deposits —9,000,000,000 tons—of iron ore are developed. I agree with Mr. Dooley when he says that he doesn't know what posterity has done for us that we should do so much for posterity. Let us do something for this generation, so far at least as the development of our iron ore and coal deposits are concerned.

I have another suggestion to make before I sit down. We have to-day a Minister of Mines who gives his spare moments, perhaps an occasional spare hour from his multitudinous duties as Minister of the Interior, to the question of the development of our mineral deposits. I believe that without increasing the size of the cabinet at all there are within the government a number of ministers who have much less to do than the Minister of the Interior, and this whole question of the mineral development of our country is so important that it might be well for the government to put this matter into the hands of some other minister who has more time than the very busy Minister of the Interior—I say this of him in no critical spirit. This mineral development is an important question. It is a question which if properly solved would help to solve in a very large way the railway problem of our country; it would help to solve our immigration problem; it would mean more work and more wages for our people; it would lower taxation in this country.

My good friend the member for West Calgary offered something constructive to this House. I am copying him, if you will, although I had this idea also, but I care not who gets the credit for this development if it should take place. I am quite willing to give the credit of this development to this government, and to give them my meed of praise if they will come forward and develop these great resources, but I do desire this great country of ours to be made a country where our boys and girls can remain and find employment, and help to build this country up into a great Canadian nation. I hope, in other words, that this government, which I have abused perhaps as much as anybody—somebody behind me says, "not half enough"—I hope they will so act that they will prove to our boys, the boys who went to the front, if you like, that this is not only a good country to die for but a good country to live for.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, as the various budgets have come up in the last few years we have been trying from this corner to present as far as possible the distinctive viewpoint of labour with regard to the various points at issue. I take it that, since we will all acknowledge that labour is basic, what is in the interests of labour is really in the interests of the people at large. If we raise the level of labour we raise the general level. As one American economist puts it somewhere, the effect on the marginal people of the community is a good test of the value of any policy.

The Minister of Finance (Mr. Robb) has taken a very optimistic view indeed of the situation in Canada. He says:

> The Dominion enters its diamond jubilee year with a happy outlook. Our farmers have, in general, enjoyed bountiful harvests; our industries are active and working well up to capacity, many indeed are working overtime; employment is at a high level and our transportation companies report a large volume of business; retail trade is brisk, money is plentiful and a buoyant spirit prevails.

While that may be true with regard to certain individuals or groups, I submit it is not true of very considerable sections of our community. It may be true that some have great prosperity, but I would point out that there is a great difference in these days between the rewards which are received by the ordinary worker, whether in industry or on our farms, and those which come to many who live largely by their investments. I have been trying as far as I could to get statistics from Canadian sources, but I find that our bureau of statistics is not adequately equipped to give matters of this kind the attention that they require. However, the general conditions existing here and in the United States are somewhat similar, and I suggest that a detailed statement of the conditions in the United States affords a very valuable sidelight on our conditions in Canada. Recently the United States Bureau of Statistics has been taking a census in which there is a survey of American statistics from

1923 to 1925 covering some 160 lines of manufacture. They find that the number of individual establishments is decreasing and that the number of workers employed in these establishments is decreasing. The statement is made that during those two years the compensation received by the workers decreased $5,000,000 while the employers' profits went up $380,000,000, or a net gain for the employers of $385,000,000. I can quite understand that in these circumstances the employers might take the attitude assumed by the Minister of Finance and consider that things were now very satisfactory. The figures also show that the output per worker increased from $3,157 in 1923 to $3,461 in 1925, an increase per worker of $304. During that same period those workers who were retained on the job had their wages increased an everage of $31 a year. In other words, for every dollar paid out in increased wages the employers added nearly $10 to the price of his product at the door of the factory. That is the evidence afforded by the United States Bureau of Statistics. What are the workers in this country to think of this condition of things? I was glancing over a labour paper some days ago in which there was some comment with regard to the enormous profits that were being made in the automobile industry, and a long list of figures was given from Motor Stocks, fourth edition. This was the comment on the figures taken at random from one of these reports:

> The first figure shows that $1,000 invested in the Buick Motor Car Company, organized in 1904, returned in eleven years $710,000. What does this mean? It means that a man earning $1,500 per year (and that is more than the average worker earns), would have to work almost five hundred years to earn as much money as this one thousand dollars would bring by being invested for eleven years.

That helps us to realize the situation that exists. Then we ask ourselves, why work when it is easier to make more money by not working and investing in this way? A case is given in the press in connection with a man named James Cousens, who had been working as a bookkeeper at $75 per month. After spending years and years of energy in this capacity he was able to save $1,500. He borrowed $1,000 and lent the $2,500 to the Ford company and went to work in the Ford factory in 1904. Twelve years later we are told that Cousens, in addition to drawing a large salary from the Ford company, received $30,000,000 in dividends, and in 1916 he sold out his interests in the Ford company for $30,000,000. That undoubtedly is an exceptional case, but these exceptions help to illustrate the effects of a situation under which very large awards are being given to those who invest and much smaller awards in every way to those who are actually producing. I should like to quote a statement given by our Dominion Statistician with regard to the distribution of income. He says:

> According to an authoritative study of wealth and income of the people made by W. I. King, and published by the National Bureau of Economic Research, some years ago, the income of the people of the United States is divided approximately as follows, according to the diffrent sources: landlords' rents, (using the term landlord in a strict economic sense) one-twelfth; interest, two-twelfths; wages, six-twelfths; and profits, three-twelfths. This distribution of the national income would probably fairly well correspond to the distribution in Canada.
>
> The Bureau's estimate of the national income of the people of Canada in 1923 or 1924 is somewhat over four billion. Using Professor King's proportions, we would estimate the total of income received as wages in Canada was something over two billions per annum in these years; that business profits were somewhat over one billion; landlords' rent perhaps 350 millions, and interest on capital 700 millions. The term "profits" as used here, of course includes the business profits of the 700,000 operating farmers, as well as those of the big corporations.

Then I turn to King's book for further illustrations of the distribution of wealth. He says:

> In 1918 about eighty-six per cent of the persons gainfully employed have incomes of less than $2,000 per annum and almost fourteen per cent have incomes exceeding that sum. In the same year, about sixty per cent of the national income was divided among the eighty-six per cent of the gainfully employed who have incomes less than $2,000 per annum and almost 40 per cent of the national income was divided among the fourteen per cent of the gainfully employed who had incomes exceeding $2,000.

And one little table here:

> The most prosperous one per cent of the income receivers had 14 per cent of the total income,
>
> The most prosperous 5 per cent of the income receivers had 26 per cent of the total income,
>
> The most prosperous 10 per cent of the income receivers had 35 per cent of the total income,
>
> The most prosperous 20 per cent of the income receivers had 47 per cent of the total income.

I think it is high time that our bureau of statistics was able to furnish us as full statistics along this line as are being furnished by the United States departments.

Now I want to consider for a few minutes the statement as given us by the Minister of Finance. With regard to taxation I notice there was a decrease in the amount received for income tax of $8,671,961.57. There was, nowever, on the other hand an increase in the amount received for customs duties of

$14,144,856.50. It is very significant indeed that whilst the proceeds from income tax are decreasing the proceeds from customs duties are increasing. That is, upon those who are least able to bear the strain a greater burden is being imposed. Let us see what sums are "being extracted from the pockets of the people," to use the very graphic phrase of the member for West Calgary. The total amount received for taxation, according to the statement of the Minister of Finance, was about $343,000,000. That means $38 per head on an estimated population of 9,000,000, or $190 per family of five. Of this total the customs import duties alone, according to the minister's statement, amount to $141,500,000. That means $17 per head, or $85 per family. It is this particular kind of taxation that is steadily rising; already it is $85 per family; while the income tax received from a comparatively small group, who, however, own the greater part of the wealth of the country, is steadily decreasing.

For what are those amounts secured from the taxpayers of Canada? It is difficult for most of us to apprehend these large figures; it is much easier to understand proportions. Now let me give a few items upon which, according to the minister, we expended these revenues: Health expenditure, .19; scientific institutions, .27; labour across the country, so far as this government is concerned, .39. We talked for nearly two years about giving relief to the Home Bank depositors. The amount paid them represents .13 of our revenue. These four items together amount to only .98 —less than one per cent to these very important calls on our exchequer. Now, supposing old age pensions were put into operation in all the provinces, the proportion which would be paid by the Dominion government, according to the present scheme, would amount to only 3 per cent of our income. Bear in mind that the minister has told us that the proportionate amount of our expenditure that can be directly attributable to the war was 45.18 per cent. I think a comparison of these items will enable us to see that we are drawing enormous sums chiefly from the poorer sections of our community—the less wealthy, if you like to put it that way—and that on the other hand the greater part of these huge sums is going to the people who hold a mortgage on this country, and to whom interest must be paid on the war debt.

With regard to the proposed changes put forward by the minister, I would congratulate him on the reduction of the sales tax. I think that is a good move. But on the other hand there is a 10 per cent reduction on all the rates of income tax, which will have the effect of relieving taxation on the higher incomes out of proportion to the relief granted the lower incomes. The same thing is true in regard to the two-cent stamp on all cheques, irrespective of value; two cents on a small cheque is an altogether different proposition from two cents on a large cheque. Thus throughout this budget, in almost every case we find it is the higher incomes or the higher expenditures that are being relieved. I am not quite sure, but as far as I can see there is one gain that labour makes in addition to the sales tax—cheaper matches. Since this is the one outstanding example, it may be well for us to consider how much it amounts to.

On each package of matches manufactured or sold: three-fourths of one cent for each one hundred matches or fraction of one hundred matches.

In recent years I have not had enough to do with household buying to know just how many matches we use in a year. I suppose those of us who are not smokers use about twenty packages. That would look to me something like a yearly saving of 15 cents! But supposing it is ten times that, what is a dollar or two saving in the annual budget of a family that pays through the customs import duties $85? Yet in view of this wonderful saving of 15 cents or a dollar a year the minister says that the diamond jubilee of confederation should unite us to work for the lasting prosperity and progress of this our glorious land. Should it? I would suggest to the minister that there will have to be some more changes than he has announced in his budget before a good many people become very enthusiastic over the prospects of prosperity. Some hon. gentleman suggests that as there is a poetical license there ought to be a ministerial license. Even then this is rather extravagant language.

For a little while I should like to turn to the alternative suggestions offered by the member for West Calgary (Mr. Bennett). I presume that the Conservatives are pretty well satisfied with this budget; they have offered no amendment. I presume that even the Minister of Immigration (Mr. Forke) must be fairly well satisfied with it, or he would not be where he is to-day. Let me examine the statements made by the member for West Calgary, for if we must accept some alternative to the Liberal proposals I suppose it would be along the lines he has put forward. After reading his speech with considerable care I am inclined to believe that he is a

better lawyer than an economist. Apparently his ideal is largely that of a self-contained nation. As he says:

> The domestic market is of the first importance to Canada—

And he urges that this market is:

> —the only means by which we are able to build up the industrial life of Canada and bring to our shores a consuming population for our own products.

And again he warns:

> Every time we open a channel of trade; every time we seek for our commerce an outlet; every time we develop for ourselves a means to send our trade and commerce to foreign lands, we place ourselves in a position where it may be possible for a foreign legislature to destroy that channel overnight with untold injury to the Canadian people.

I submit, Mr. Speaker, that that is mere rhetoric. We might as well say that every time we cross the street; every time we go for a walk; every time we take a meal and every time we inhale a breath we expose ourselves to some dangers. But do we propose to shrivel up and die because there may be some possible dangers in the ordinary course of living? I think we may understand that we must take the dangers along with the benefits which come from international trade.

The hon. member envisages a world filled with commercial enemies. That may have been true at one time, but to-day we are more and more living in a coöperative community; industrially, commercially and financially we are closely interlocked, and we are developing into a vast inter-related world. Only politically, as a matter of fact, do we maintain our independence with a moderate degree of success; otherwise we are closely related to all parts of the world. We all know that we have $2,000,000,000 of British money invested here, and that we have $3,000,000,000 of American money; that means that whether we like it or not, to that extent English and American investors are penetrating and controlling this country. They are crossing our international boundaries every time their money crosses. We must necessarily send our goods to every part of the world; to-day we are anxiously watching events in China and other parts of the world, which simply indicates that we have interests scattered over the world, and it would seem to me that we would be turning the clock back if we were to revert to the idea of self-contained communities with other communities as commercial rivals profiting at our expense. Rather I think we are advancing to the stage where the benefit of one is the benefit of all, and where world trade flows freely there is mutual benefit.

The hon. member for West Calgary (Mr. Bennett) was very much perturbed because Canadian trade with various countries does not always balance, or because in some particular instances our imports are greater than our exports. In effect he says, "I found that from Switzerland we imported last year goods amounting to $9,170,000, while we sold that country goods amounting to only $1,310,000. Can we afford to establish a channel of trade with that community?" I should like to ask why not. These figures by themselves are of very little value, because trade is not always direct, and we have all sorts of three-cornered, four-cornered and six-cornered trades We all know the place the clearing house has in ordinary banking affairs, and I submit that in the world's great clearing house it is a matter of comparative indifference on what bank my cheque is drawn. In our analysis of these figures we must take into account the larger and more complicated relations, not simply the figures which relate to the direct traffic between one nation and the other.

The hon. member seems to have conveniently forgotten the paramount importance of the domestic market when he bemoans the fact that the export of trade is falling. For the life of me I cannot see that this latter part of his discussion is at all consistent with his earlier remarks. He said, "I view with the greatest apprehension the diminution of our export trade; to the extent to which that trade is diminished, to that extent does it work a hardship upon the Canadian people." A little earlier it was the domestic trade that was of importance, now he bemoans the fact that the export trade is said to be diminishing. This kind of reasoning, it seems to me, is very characteristic of some of those who seek protection as the cure all for our social ills; they have not realized fully that we can export only as we import. Apparently such a simple consideration has not yet entered into the consciousness of a great many of those who are so keen on what they call protection. We export only as we import; the one process is absolutely dependent on the other. If we hinder importation we hinder exportation, and if we increase the one we are liable tc increase the other, indeed must ultimately increase it. It is by fixing attention for a while on one process and then forgetting it altogether and concentrating on an altogether

different process that some of the advocates of this policy manage to win and apparently hold public approval.

The hon. member is somewhat consoled with the ten per cent reduction in the income tax, and hopes that in time the income tax will be entirely abolished. If we turn back to the figures I gave a while ago it will be seen that if the income tax is abolished the larger part of the wealthy people will go almost scot free. What would the hon. member substitute? To use his own words, "A universal turnover tax, a tax by which every man who buys something will be able to make some contribution, a known contribution, a percentage levy." Surely that is a brilliant scheme to fleece still further the man with the lower income. As I understand it, and I am subject to correction, we are banishing the sales tax but erecting a super-sales tax, a universal sales tax, one affecting all commodities notwithstanding the fact that a great many of these commodities are already taxed by means of the customs duty. I want to be fair to the hon. member. So I quote his own words:

> ...if we impose a tax based upon the expenditure of the people, then as the poor man has less to spend than the rich, his contribution will be correspondingly less, but because he exercises the franchise he will make some contribution to the life of the state in the form of taxation.

Really, the audacity of the rich and their representatives simply staggers one! I wonder whether they really believe that by their specious arguments they can any longer fool the great mass of the people. Perhaps it is only fair to think that they have so long concentrated on their own view of this question that they have absolutely failed to realize the viewpoint of the majority who are not the beneficiaries of the present system. A man's ability to pay surely must be judged not by what he spends on the necessities of life but by what he has left after spending that money—the very part which, according to this scheme now propounded, would be exempt.

The hon. member has given us two new rules which should apply with regard to taxation, two grand new principles which may be added to those of Adam Smith—universality and visibility. For a long century we knew nothing about these two principles! The world waited in earnest expectation. At last in the fulness of the time they have been revealed to us through the mouth of the hon. member for West Calgary. Visibility and universality! And what about visibility? Why, the hon. member would take away the only tax that we have to-day that is clearly visible—the income tax. And what about universality? From those who have the large incomes—on which he says he would like to abolish entirely the income tax—he is removing the opportunity of paying to any considerable extent for the upkeep of the country. He is placing the greater part of the burden, according to this statement, upon those people who must pay for the necessaries of life, and who as they spend would have to carry the weight of taxation. It is rather interesting in this connection to note the plea that is made as to benefactions obtained from well-minded people. The hon. member states that in this new country hospitals have to depend on benefactions that come from well-minded people. On this there are one or two comments I should like to make, because the whole viewpoint that is put forth here is so very characteristic of one class in our community. In the first place I would say that the statement that the hospitals have to depend entirely upon benefactions is not correct. I know of a great many hospitals throughout my own part of the country, and the greater part of their income is not derived from benefactions but from taxation. It is quite true that some of the benefactors seek, where possible, to retain the right to sit on boards, and more or less manage the concerns of the hospital, but the greater part of the revenue comes out of public taxation. I should like to ask further why hospitals and educational institutions should have to depend upon benefactions? These institutions which minister to the primary interests of the people should not have to wait until some well disposed people come along and endow them. It would seem to me that the very first claim upon the resources of the country ought to be the hospitals and educational institutions. The implication behind this suggestion is that these public benefactors, who are the wealthy people, of course, know much better than the public where their surplus wealth should be placed. The raison d'etre of the income tax is that the public ought to decide where the surplus wealth is to be placed. And if we carry out the principle underlying the income tax still further it will remove this surplus wealth, because after all that wealth has been built up out of special privileges which have been given because of the protection afforded by the government or society at large.

A little earlier in his speech the hon. member for West Calgary suggested that the poorest man, in fact everybody who has the franchise, should contribute to the upkeep of his country. I would say much more should these well meaning benefactors who have

grown wealthy through the arrangements that at present exist in society—much more should they be willing to do their share in carrying forward the larger concerns of our country; and I am a little bit suspicious, I must say, of philanthropists who would seek to avoid their obligations to the state which has enabled them to amass their wealth.

Further the hon. member has a very interesting plan to suggest with regard to the paying off of our debt without our being conscious of doing so. I suppose you may characterize that as painless extraction. We in our Labour group believe in paying off the debt, but we believe also in that splendid principle of visibility; we believe that it should be paid off in such a way that people would see who was paying it, and that the people themselves would decide who was best able to pay it. Now, in order to be perfectly fair I propose, for the benefit of those who may be present to-night who have not closely read the speech of the hon. gentleman (Mr. Bennett), to read a paragraph containing the scheme which he set forth and which is already being commented upon in our leading newspapers:

> Therefore I propose that the Minister of Finance should, after creating his four per cent consolidated Canadian securities, provide by legislation that a percentage to be hereafter determined, of the revenue of the insurance companies, amounting to a net total of over $110,000,000 this year and from the deposits of the Canadian people in our savings banks, amounting approximately to at least another billion and three-quarters, should be utilized for the purpose of paying off this $100,000,000 This four per cent security I would maintain at all times at par—a very simple process. Under our Finance Act, our Department of Finance operates practically as a federal reserve board, and all that the insurance companies would have to do if they require additional money would be to deposit, either through their banks or with the Minister of Finance the four per cent consolidated securities and receive the money from the federal reserve board.

Well, I should like to congratulate the member for West Calgary upon his boldness in setting forth this scheme. I have thought over it, and it seems to me that it really involves the conscription of money at four per cent. I can see it in no other light than the conscription of money at four per cent. Even four per cent, however, may not be a bad thing from the standpoint of the insurance companies, for I notice in this morning's Mail and Empire of Toronto the following sentence referring to Mr. Bennett's proposal:

> It might be welcomed by the insurance companies as a source of an irreducible return of four per cent, and as an influence to check the upwardness of other trust fund prices.

So it is possibly doing the insurance companies a good turn, now that rates are falling so rapidly. The member for West Calgary spoke as follows:

> I submit, Sir, that the time has come, for this parliament, in the exercise of its unquestioned authority and power, to say that these deposits of the people should be utilized to the extent necessary to provide for the maturing obligations not met out of surplus.

I am sure that the House ought to be very grateful to have this high legal authority assure us that parliament has unquestioned authority and power, but I should like to ask, why select the savings in the hands of the insurance companies and in the savings departments of our banks? What of other forms of wealth? Why limit the operations of this scheme to those particular kinds of wealth? Why should we not conscript every kind of wealth? I am inclined to think that the principles laid down by the hon. member would carry us a great deal farther than he would like to go. The hon. member tells us that "this country in the present moment of stress and strain should utilize the savings of the people in the interests of the whole population"—surely a far-reaching principle. Personally I would substitute for the word "savings" the word "wealth". But let that go; the hon. member would probably maintain that all wealth represents savings.

I am sorry that the hon. member is not now in his seat, but I should hope that he will be able to induce his colleagues to support a motion in his own terms which I propose to place upon the order paper:

> Resolved that in the present moment of strain and stress, the time has come for this parliament, in the exercise of its unquestioned authority and power, to utilize the savings of the people in the interest of the whole population.

I propose to support the amendment moved by the hon. member for Macleod (Mr. Coote), because it is in line with the policy on which I was elected to this House and which, in the form of an amendment, I brought before the House several years ago. The Independent Labour party of Manitoba has these sections in its platform:

1. Abolition of fiscal legislation that fosters and sustains class privilege.
2. Removal of taxes from the necessities of life.
3. Taxation of land values.

4. After exemptions of small incomes, a steeply graded income and inheritance tax.
5. A capital levy for the extinction of the war debt.

I should like to dwell for just a moment in closing upon the last clause of the amendment:

And further that no systematic effort is being made to reduce our national debt, the interest on which absorbs so large a proportion of the revenues of the Dominion.

As the minister has informed us, the principal expenditures attributable to the war amount to something like 45.18 per cent of the total expenditure. Last year in his budget speech the minister went on to point out other expenditures in addition to these. He referred to the heavy railway and merchant marine expenditures and other expenditures which grew out of war conditions. He said that during the war and demobilization period, large outlays were charged to ordinary expenses which, while not actual war costs, were directly attributable to war conditions. In addition to these there were heavy annual charges not taken into consideration in the summary submitted, for which the war is responsible. He stated that there might also be included the cost of housing the staffs connected with these services, which is now carried by the Public Works Department.

Therefore putting these items together I think we are safe in saying that practically one-half of the entire revenues of the country go to pay for the war, a large part of it being interest on the war debt. That means that there is a huge mortgage resting upon this country, and as long as we permit that mortgage to remain, a large part of our revenue must be used in paying the interest charges. Sooner or later we must frankly face the war debt. If you do not want to repudiate it, why not have a capital levy or in some other way deal with it? We are not suggesting in this amendment the manner in which that may be done. That is for the government to decide. But I would suggest that in ordinary business concern, the president, in reporting to the board of directors, would deal, not merely with current income and current expenditure, but with the mortgages carried by the corporation. We ought not to go along year by year simply accepting this war debt and spending the great part of our time and energy in collecting money from the poorer people to pay to the wealthier who hold the war debt mortgage. I have much pleasure in supporting the amendment moved by the hon. member for Macleod.

Mr. J. A. FRASER (Cariboo): Mr. Speaker, in rising to say a few words on the motion before the House I want, in the first place, to congratulate the Minister of Finance (Mr. Robb) on taking holus-bolus and adopting as his own child, one of the most important principles of the Conservative party, namely, stability of the tariff. Unquestionably if there was one point that the Conservative party urged from time to time during the last session of parliament that I had the pleasure of being in this House, it was that what the country required was stability of tariff, and the Minister of Finance in his budget has adopted that as his own baby.

I want also to congratulate the minister on the fact that he is still trying to make the people of Canada believe that he is reducing taxation. He told the people last year that by some miraculous means that I have yet to ascertain he was reducing taxes to the extent of $25,000,000, and at the same time he was spending more money than he was the year before. How he bridged the gap I do not know; but having successfully made the majority of the people of this Dominion believe that he had done so, he promises to repeat the dose. In this budget he says that he is reducing the taxes of the people of Canada by $27,000,000, and still in his speech which is reported in Hansard he says that he is actually increasing expenditure by $6,000,000. There is thus a gap of $33,000,000 which he has to bridge in order to show the people where he is reducing taxation. So far as I can see he is increasing the taxation of this country by about $3.50 a head, if I know anything at all about mathematics. The majority however, of the people during the last election believed that the Minister of Finance was actually reducing taxation.

I want to extend further congratulations to the Liberal party. I desire to congratulate most heartily the members of the Liberal party from Quebec in that they have succeeded in imposing upon their Liberal friends from the western prairies the good old protective principle of the Conservative party, because if there is one principle which is maintained in the present budget it is, as I said before, the protective policy of the tariff, and if there is one thing which the Liberals of Quebec are to be congratulated upon it is that no further reduction is to be made in the tariff during the present year. Therefore, as I said before, we are to have stability of the tariff for at least another year.

This afternoon the Minister of Trade and Commerce (Mr. Malcolm) made a few remarks regarding imports and exports of raw

materials. Some mention was made of the fact that we were exporting a considerable amount of raw material. The Minister of Trade and Commerce said that we were exporting about $50,000,000 of gold. I do not know exactly what he means by the exportation of $50,000,000 of gold; I suppose what he had in mind was commercial gold, not gold in its raw state. I do not remember the figures as to exportations of gold during the last year, but I believe they were somewhere in that neighbourhood. I want, however, to draw his attention to his own report, the report of the Department of Trade and Commerce for the year ended March 31, 1926, in regard to the export of some of these raw products. What I think is meant by raw gold is gold in the shape of ore which is shipped out of this country and the values smelted in a foreign country. That is exactly what is happening in my own province of British Columbia, where large quantities of quartz are being shipped out of the country for the values to be removed on the other side of the line and the money sent back to this country. That is what I understand by the exportation of raw gold.

In the last annual report of the Department of Trade and Commerce there is given on page 13 a list of the principal Canadian commodities exported. Raw gold was exported to the extent, in round figures, of $25,968,000, of which, $11,360 went to the United Kingdom and $25,956,734 to the United States. There is an example of the export of our raw materials to foreign countries, the question that was under discussion this afternoon, and no one can deny that the United States is a foreign country. Let me call attention also to some other significant figures in the report of the Minister of Trade and Commerce. On the very same page I find our export of nickel. The minister stated this afternoon that we exported $1,000,000 of nickel, but he pointed out that we imported $1,000,000 worth of aluminum, which he said about struck a balance. I find on page 13 of the minister's own report that instead of exporting $1,000,000 worth of nickel, last year we exported $12,829,000, of which $4,000,000 went to the United Kingdom and nearly $7,000,000 to the United States. We also exported copper ore and blister to the amount of $13,945,000. That is another case of our raw material going out of the country to be smelted on the other side of the line and there fabricated into articles of commerce which are shipped back and sold in this country. Of pig lead we exported $13,292,000. We exported raw asbestos to the amount of $9,000,000, and aluminum in pigs to the amount of $6,000,000 odd. We exported zinc spelter to the amount of $4,862,000. These items, all of which are the raw mineral products of this country—and this is not the full list; I am giving only the more important items that enter into our exports—total just around $100,000,000. We export that amount of our raw materials to be smelted and fabricated in a foreign country into the finished products which are then shipped back here. Now if there is one thing that the Conservative party has always emphasized on the floor of this House and throughout the country it is that we should find some way to stop so large an exportation of our raw products.

Coming as I do from a mineral province, I have been very much pleased to see so many references in the speeches that have been delivered in this debate to the mining industry and the importance of mineral development. Last year very little was said on this subject, but I hope it will be discussed more and more as the years go by. I was very much interested in the remarks of the hon. member for Fort William (Mr. Manion) a short time ago, and I heartily concur in his prediction that in the next few years the mining industry will be one of the most important in this country. I am not so sure but what it is very nearly in the first place now. I should like to emphasize that conditions generally in this country cannot be more rapidly improved than by the development of the mining industry throughout the whole country. I have seen it stated somewhere—I cannot give the authority at the moment—that during the last twenty years there have been more minerals used all over the world than in all previous time. That is a significant statement, and it will be appreciated particularly by those who live in a country so rich in mineral resources as Canada undoubtedly is. Here is another significant statement. Since the year 1800 the population of the world has doubled, and since 1800 the production of iron alone has increased one-hundredfold; so you see how rapidly the production of these metals is gaining on the population of the world, and the same applies to coal and many other minerals.

I should just like to point out the influence that the development of the mining industry has on the development of any country, and I would like the Minister of Immigration (Mr. Forke) to pay attention to this. No mineral has had a greater influence in the development of different parts of the world than has the mineral that is known by the name of gold. No mineral has had more to do with the colonization of different coun-

tries in the world than gold has had. A gold strike is one of the greatest colonizers that there is or ever has been on the face of the earth. When word comes of a gold strike, what do you find? You find that every man with any ambition is anxious to get into that country. I need not enlarge upon that, because you all know it is true. The discovery of gold in the Yukon is within the experience of us all. With the rush of men into a country where gold is discovered there springs up a demand for all kinds of agricultural products; for these men must be fed and the next thing you find is that those who are not so much interested in mining as in agriculture immediately start to develop agriculture in that part of the country, and long after the gold has been depleted the agricultural wealth of that part of the country continues to grow and expand. I need only mention, for instance, the development that took place in Australia; it was a gold strike that started the colonization of that country. Then look at what happened in California. Before gold was discovered in California there were very few people there, but the moment gold was found people were attracted from all over the world. They got to California just as fast as they could, and later on many of them started in agricultural pursuits, probably when they were not successful in mining. However, that may be, the discovery of gold, important though it was to California, was not one-hundredth part so important as the development of agriculture. Anyone who has gone there and looked at the wealth coming every year from the orchards and fields of California must realize the amount of wealth which is being distributed from that source. The initial impetus given to the development of that particular state at least was the discovery of gold.

I need only tell you what happened in my own province of British Columbia. In 1858, when gold was first discovered in the Cariboo district, what happened? There were then a few traders and a few wandering bands of Indians in that province, and nothing more; nobody knew anything about it. But as soon as gold was discovered thousands of people from all over the world were at once attracted to that province. These people went into a section which was absolutely impossible so far as the pursuit of agriculture is concerned, because it is far above those parts of the province where you can grow any kind of agricultural product. I refer to the original Cariboo gold fields, which were at an elevation of four thousand feet and produced practically no agricultural products. But the very fact of a population of ten or fifteen thousand going into that district brought about a demand for agricultural products, the result of which was that some of these men went down to the lower level where there were agricultural lands and started to develop them, and that development has continued to this time. So that from a population of two or three thousand in British Columbia when the development started we have at present 600,000 people, and their occupation is very largely agricultural.

I wish to draw the attention of hon. members from the eastern provinces to the present development in the northern parts of the provinces of Ontario and Quebec. Does anyone suppose for one moment that we would have had the development we have seen in the northern part of Ontario to-day had it not been for the discovery of precious metals in that district? Everyone knows the history of that development. Everyone knows that the object of the construction of the railway into that part of the country was to develop the agricultural lands of the district, and it was only by accident that the minerals were stumbled upon. But the impetus given to the development of agriculture in that northern country would never have reached its present stage had it not been for the minerals discovered there. The same thing applies to the northern part of Quebec and Manitoba, the development of which we have heard so much about to-night from the hon. member for Fort William (Mr. Manion). We from British Columbia feel jealous that there are so many of these things going on in the eastern provinces, because we know they are good things and we would like to see more of that kind of development in British Columbia.

Not only is the mineral industry of great importance to national development, but the same applies to almost every line of industry. For instance, we have on our hands what we are pleased to say is a great railway problem. That is one of the great problems the people of Canada have to solve, and nothing will solve it more quickly than a revival of or the giving of an impetus to the mineral industry, because taking all the railways together the mineral industry is responsible for thirty-five per cent of the traffic accruing to them. I have seen a statement of the Canadian National Railways in which they attributed forty-seven per cent of their total revenue to the mineral industry. If that is so, surely it is important that every person in Canada should pay careful attention to the development of that industry; and it is particularly important that the government do so.

I call attention also to the fact that out of every dollar spent in the production or development of the mine fifty cents is paid out for labour. Another important fact in regard to the mining industry, which will cause the farmers to realize that it is the best friend they can have, is that out of every dollar spent in mining twenty-five cents goes directly for farm produce. That surely should attract the attention of our good friends from the prairies, because last year the production from the mines of this country was $243,000,000—a record for all time, I am pleased to say, so far as the mining industry of Canada is concerned. If twenty-five cents out of every dollar goes to the farmer to provide supplies and sustenance, it means that $60,000,000 out of $243,000,000 goes directly to the farmer.

I wish further to show what this production of $243,000,000 will do for the labouring man. An expenditure of $243,000,000 in the mines means that labour is paid about $120,000,000. That means that 60,000 men will be supplied with an annual income of $2,000. We all agree that population is what we require, and anything that will bring a number of people to our shores and help us to carry our load of debts is in the interests of the country. The miner is a good customer of the farmer, and the farmer in British Columbia knows perfectly well that if the miner is in a prosperous condition he himself has a pretty good chance of being prosperous too. This applies not only to British Columbia but to the whole Dominion. It is impossible to find a better market for farm produce than a prosperous mining community, and when mining is in a flourishing condition in British Columbia our farmers there are not worrying about overseas markets.

Now, I repeat, what is good for the railway and the farmer and the labouring man of this country must be worth while studying from a national standpoint. As I have said, mining stands third among our primary producers. As my hon. friend said to-night, 85 per cent of the Dominion is mineralized. Last year our mines produced per capita $27 of new capital. In 1890 our mineral production per capita was $2.23. So you see we are getting along pretty well, but there is lots of room for further development. Let this government and our provincial governments work together to put our mines on a still better producing basis. To accomplish this we require the co-ordinated efforts of all our people and all our governments, and I advise this government, so newly elected, that the mining fraternity of the Dominion expect it to pay a little more attention to the mining industry than has been paid during the last few years.

[Mr. Fraser.]

Now let me touch a different angle of the mineral industry. I refer to the bearing that it has on our imports and exports. Last year we had a favourable trade balance of $401,000,000. It may be asked, what relation has our mineral development to our national trade. I propose to give a few outstanding facts to show how the two are very closely related. I should explain that the Department of Trade and Commerce classify our imports and exports under nine different heads. In speaking of our mineral trade I shall take three of those nine, namely, iron and its products, non-metallic minerals, and non-ferrous minerals, because I consider that they all have a bearing on our mineral industry. The trade returns are for the year ending March 31, 1926. I find our mineral imports amounted to $367,923,725, or 39.5 per cent of our total imports. Our mineral exports amounted to $196,780,192, or 14.5 per cent of our total exports. We established that credit of $401,000,000 in order to help pay our interest charges and our other financial obligations abroad.

I think the Minister of Finance will be interested in hearing what part our minerals had in establishing that credit abroad. Had it not been for the adverse balance in regard to our minerals, we would have had $171,143,533 more of a favourable balance of trade. It is an important question for our people to consider how we can bring that unfavourable trade balance to a position very nearly favourable. It is also very important that our people should understand the relation of that particular mineral industry to the general trade of the country. Therefore I am going to give some further figures for the benefit of hon. members and the public. These figures deal with the first four months of the last fiscal year, and they indicate how this debit balance in our mineral products is accounted for. I have shown by reading a few items in the trade returns that we sent out $100,000,000 of minerals in the raw state. Now I propose to show in what shape we are bringing them back. Taking the first four months of 1924, we imported in the form of castings and forgings $1,447,444 worth; for the first four months of 1926 we had increased that amount to $1,831,522, or 26 per cent. It was bad enough before, but, you see, it is growing worse. In those respective periods our imports of rolling mills products have increased from $13,508,740 to $16,564,143, or 18 per cent. Then take tubes, pipes and fittings. Can anyone in

this House tell me why we cannot make those things in Canada? I am not an ironmonger and I do not know much about it, but it seems to me that it should be possible for a good Canadian to manufacture tubes, pipes and fittings, and if a good Canadian cannot do it I can tell you where you may find people who can. You will find them on the Clyde in Scotland, and you can bring them here if you will show them where to get work. During the first four months of 1924 our imports of these materials amounted to $924,290, and during the first four months of last year they increased to $1,462,043, or 58 per cent. The next item is wire. Is there any reason in the world why we cannot make wire in this country? I would like some of our foundrymen to tell me that, because in the first four months of 1924 our imports of wire amounted to $878,561, and they rose in the first four months of 1926 to $1,204,666, an increase of 37 per cent. The next item is engines and boilers. In 1924 our imports amounted to $2,389,577, and in 1926 to $4,570,731, or an increase of 91 per cent. I want to say to the Minister of Finance that here is where some of his tinkering with the tariff last year came in, and on looking at these figures I am not surprised that he thinks it better to stop that tinkering for one year to see how it will work out.

The next important item is one which I wish my hon. friends from the west to notice. The imports of farm implements in the four months of 1924 amounted to $3,013,040, and in the same period last year they amounted $7,467,065, or an increase of 147 per cent. It seems to me that I heard something about a reduction in the tariff on farm implements last year. On the other hand our imports of machinery, except agricultural machinery, amounted to $9,029,850 in 1924 and $13,131,545 in 1926, an increase of 45 per cent. Then I think I heard something about a change in the tariff on automobiles.

An hon. MEMBER: Yes.

Mr. FRASER: Thank you. Here we have an item under "vehicles," and in 1924 our imports amounted to $10,486,668; in the first four months of 1926 they amounted to $24,641,565, or an increase of 135 per cent. That is what tinkering with the tariff did to the automobile industry, and that is what it is doing at present.

Mr. ODETTE: Does the hon. gentleman know that the motor car industry in Canada is busier and in a more prosperous condition to-day than at any time since its inception in this country?

Some hon. MEMBERS: Hear, hear.

Mr. FRASER: I hear a great thumping of desks, so I suppose that must be true; I do not know. I am giving you the position, however, and would not the industry be in a much better position if the automobiles represented by that figure of $24,000,000 were manufactured in Canada?

Mr. ODETTE: I would refer my friend to the secretary of the Canadian Manufacturers' Association for an answer to that question.

Mr. FRASER: He is not here, so I cannot talk to him.

Mr. BROWN: Has the hon. gentleman the amount of duty paid on the imports of automobiles, as compared with the other years?

Mr. FRASER: I have not.

Mr. BROWN: I think it would be very useful to have those figures; it might perhaps set the hon. member right on the question of rates of duty versus total revenue.

Mr. FRASER: The hon. gentleman has not spoken in this debate; he can bring down that information.

Mr. ODETTE: I would call the attention of the hon. member to the fact—

Some hon. MEMBERS: Order, order.

Mr. FRASER: I am very glad to see that I have touched up a few of the high spots on the other side of the House. I have not very much more to add because I do not want to waste all the night.

Some hon. MEMBERS: Oh, oh.

Mr. FRASER: Thank you. I wish to point out just a few items in this little blue book issued by the Minister of Trade and Commerce and entitled, "Monthly Report of the Trade of Canada; imports for consumption and exports, July 1926." There are some very interesting items here; on page 199 I find the following:

> Articles not otherwise provided which enter into the cost of the manufacture of goods, chiefly agricultural implements, enumerated in tariff items 445, 446, 446b, 447b, 448 and 591, when imported by manufacturers of such goods for use in such manufacture, from April 11, 1924.

I think it well that the working men who have had to leave this country and go to the United States should understand why they have had to take that little trip in order to get a job. In the first four months of 1924 the importations under that item amounted to

$353,340, while the amount this year was $1,053,729, or an increase of 198 per cent. Here is another item:

Cream separator materials, which enter into the construction and form part of cream separators when imported by manufacturers of cream separators to be used in the manufacture thereof, and articles of metal for use in the manufacture of cream separator parts.

That item increased from $63,090 to $218,225, or an increase of 252 per cent. I submit, Mr. Speaker, that with that result before us it is not strange that a halt was called in the tinkering with this tariff, until it was seen how the last reductions would affect the body politic of this country.

We also have the other two divisions of mining one of which is non-ferrous metals and their products. These increased from $13,560,915 to $15,352,227, or an increase of 13 per cent, while the non-metallic minerals increased from $46,155,591 to $50,188,217, or an increase of 9 per cent. Notwithstanding the remarks of the Minister of Finance the other night in regard to how busy Canada was, requiring more raw products to keep her factories going, I find that both coal and petroleum remained about the same for the first four months of this year, which does not indicate that they are making any difference in the imports and exports of this country. And then a very strange thing. I do not understand the significance of it, I must admit, but I find that during the four months that I am speaking of, the importation of stone and its products advanced fifty per cent. Now I want to know why we have to import stone? Coming from a province like British Columbia, and having in mind the Rocky mountains and the rest of the available areas in this country, I am amazed to think we have to import stone at all; yet I find we are increasing our imports of that material by fifty per cent. And here is another marvelous thing: an increase in the import of sulphur and brimstone of sixty per cent. Sulphur and brimstone! What for? I am inclined to think these products were imported to raise a fog in order to enable the government to deceive the people in the last election and help them out of their difficulties.

Now I want to point out to these gentlemen the significance not only of the import and export of these minerals but of their destination, and the bearing that it has upon our international trade. In the four months ending July, 1925, we imported minerals to the extent of $119,338,844, and in 1926 we increased that importation to $148,725,002, an increase of $29,386,158 or, putting it on a percentage basis, an increase of 24.8 per cent. That is what the imports of mineral products into Canada during the current fiscal year show, an increase of 24 per cent. Now let us see what the destinations of these minerals were, and how they are affected by this interchange. We find in the first place that from the United Kingdom we imported $13,524,976 in 1925, which was decreased to $11,545,493 in 1926, a total reduction in value of $1,979,483, or a decrease on a percentage basis of 14.56 per cent. Remember the total importations increased by 24.8 per cent, and the importations from the United Kingdom decreased 14.5 per cent. From the United States we imported $99,428,122 worth in 1925, and in 1926 we imported $128,283,965 worth, a total increase in value of $28,855,843 from the United States, or a total increase of 28.92 per cent from that country. Hon. gentlemen will note a 24 per cent increase in total importations, a decrease of 14 per cent in the importations from the United Kingdom, and an increase in the importations from the United States of 28.92 per cent. I think I heard someone opposite this afternoon mention how they on that side stood for preferential trade. Did I not hear some statement of that character? I believe I did. In the four months in question of 1925 we imported from other countries $6,385,746, and this year our importations amounted to $8,895,544, an increase in value of $2,499,807 or 39.11 per cent. Those are the importations from all other countries. That is the kind of preferential tariff we are getting in our mineral industry from the present government—an increase of importations from all other countries except the United Kingdom.

Now I suppose a person making statements of that kind during this session, when we were supposed to have so much coöperation, should give some direction to the government, should indulge in some constructive criticism that would help them along in their endeavours to build up trade. Well, in looking around I saw where I could make some suggestions that might be of benefit, that might indicate in what direction the government could travel in order to build up the industries of this country. As to the production of copper, in order to get my information I had to go to the United States; I could not find any statistics, although I suppose they are extant, so far as Canada is concerned. You sometimes hear rather gloomy statements in regard to the production of copper —that the production will be greater than the demand; that the next thing you know the mines and smelters will be closed, and

the men employed there will be out of work. All this, it is predicted, would take place if the price gets down to a certain point. I want to indicate to the government what my opinion is in regard to the use of copper and its alloys, bronze, brass, and other materials. I am not going to distinguish between them, I am going to indicate some new uses which are already in effect and which are being more largely employed, in order to try to show the government that they need not be afraid of expanding the mineral industry, and especially the mineral manufacturing industry.

In 1921 the electrical industry in the United States consumed 450,000,000 pounds of copper and 765,000,000 pounds in 1925. The automobile industry consumed 70,000,000 pounds of copper in 1921 and 245,000,000 pounds in 1925. The radio industry consumed 3,000,000 pounds of copper in 1924 and 10,000,000 pounds in 1926. Iceless refrigeration was not heard of at all in 1924, but in 1926 it consumed 45,000,000 pounds of copper. Now let us take building construction. In 1922, with a building program in the United States of five thousand million dollars, they consumed 64,000,000 pounds of copper. And note these figures: In 1926, with a building program of only five thousand five hundred million dollars, or an increase of five hundred millions which is only about five per cent, they increased the use of copper to 111,000,000 pounds, or an increase of 68 per cent in the four years.

Now let us take washing machines. In 1921 not fifty per cent of the washing machines manufactured in the country were constructed of copper. Last year 95 per cent of the washing machines manufactured in the United States were constructed of copper, and the industry consumed 15,000,000 pounds of that material. Then you have the expansion in the use of copper shingles, which are becoming very common in the construction of large buildings. Also you have lighting fixtures, the demand for which is going to grow from time to time, especially in a country like Canada where you are proposing to harness your water powers and produce electrical power in increased quantities. Then you have also the copper that is going into the construction of large public buildings, such as halls, parliament buildings, libraries and various other edifices. These items from 1921 to 1925 increased the consumption of copper by 600,000,000 pounds, or at the rate of 150,000,000 pounds per annum, so that there is not much danger of a decline in the copper industry for the next few years. It is about time—and it would be a first class thing for the government to do—to proceed to give to that part of the mineral industry such assistance as they possibly can. In submitting these statistics I want to impress upon the government the necessity of doing more for the mining industry in the future than they have done in the past.

There are two ways in which they can very easily do that. In the first place by tariff legislation they can very largely assist Canadian manufacturers to turn these goods from the raw state into the finished article, without the necessity of sending our raw material to foreign countries to have it fabricated into articles of commerce and then returned to this country at 5, 10, 15 or maybe 100 per cent increased cost to the individual. I say to the Minister of Immigration (Mr. Forke) that so far as I can see there is no better colonizing agent than the mining industry. An increase in the manufacture of our mineral products is the best basis on which to build up an immigration policy. Indeed I do not know that I would not favour a policy under which the minister would dismiss his immigration officials altogether and use the $3,000,000, which is the appropriation for his department, in helping the prospector and the mining industry in this country. If you were fortunate enough to make one good mining strike in any part of the Dominion it would attract more people to this country in the course of three or four months than all your immigration agents would do in the next ten years.

The second method is by a little more liberal appropriation. The government should be inclined to give a little better consideration to the Geological survey, especially with reference to British Columbia. The industry of agriculture absorbs 1.64 per cent of the national expenditure. These are figures submitted the other day by the Minister of Finance; I am not manufacturing any of my own. Dominion lands absorb 1.20 per cent; fisheries, .41 per cent; public works, .28 per cent and mines, .17 per cent of the national expenditure. That means that seventeen one-hundredths of one per cent of our national expenditure is devoted to the development of our mines. In other words, you are spending on immigration just four times as much as you are spending on your mines, and the amount spent is out of all proportion to the returns you are getting from your immigration policy.

I am not familiar with the activities of the Geological survey in the eastern provinces, but I know that in British Columbia it is doing valuable work. I do not want anyone to get the idea that I am trying to knock the Geological survey branch, because I know

it too well; I know it has splendid officials and it is doing valuable work for the Dominion. But from my point of view, coming as I do from a mining province, the amount provided for the work to be done by the Geological survey is out of proportion to the needs of the country; it should be multiplied, at the very least, by five or even by ten. The hon. member for Fort William (Mr. Manion) was depicting to us to-night one part of the country which is a mineralized area, and he did not say a single word about the other great range which is equally as big as the pre-Cambrian range. I refer to the Cordilleras, a range which extends from Mexico to the Yukon and beyond, and which has been touched only in spots. There is plenty of opportunity for work to be done throughout all these sections. We have in British Columbia to-day in the city of Trail the largest smelter in the world, employing more than 3,000 men, with an immense pay-roll, making huge sums of money. That is only one instance. In all parts of British Columbia there are possibilities for repetitions of that sort of thing, but in order to find those prospects we must have a systematic and intelligent survey of geological conditions throughout the province.

I think British Columbia has a little stronger claim for consideration in regard to the expenditure of these funds than any other province, because when it came into confederation one of the conditions of union was that the Dominion of Canada should carry on our geological survey. I recommend to the careful consideration of the Minister of Mines and the cabinet the advisability of appropriating a little more money to the Geological survey. I know the minister will get results, because I know the men in the department. They are capable men and they could easily make profitable use of an additional appropriation in that service.

If I were Minister of Mines I would be ashamed of the conditions under which men are expected to work in this city of Ottawa. The first thing the minister should do is to provide a substantial appropriation for a suitable building for the important work which these men are carrying on. The present buildings in the southeastern part of the city are the most ramshackle, untidy looking structures that I have ever seen in my life. I have been looking a little into the conditions of the mining department here, and I find that the different branches are scattered all over the city. There is no appearance of consolidation at all. It seems to me that about one-quarter of the efforts of the minister's department are dissipated in going from one part of the department to another. He should be able to secure useful information and recommendations from his officials as to a proper building with suitable headquarters in this city. If he cannot spend any money in British Columbia, perhaps he could spend some here.

I want to bring to the attention of the different ministers some of the very modest requirements of my constituency. Let me tell the Minister of Public Works (Mr. Elliott) that British Columbia has an area of something like 400,000 square miles, and that the district of Cariboo comprises about one-half or very nearly one-half of that area. Hon. members can imagine what kind of territory it is. There are people scattered all over that vast district. In the first place I am requested to ask for an extension of the telephone system, and I do not think that is an unreasonable request. How are you going to get pioneers into those places if you do not give them some of the comforts of modern civilization? They will not do it without them. I want to tell the present Minister of Public Works that I shall not be satisfied with what I got from the last Minister of Public Works. I put in a request last year for an expenditure of $26,000 for telephone service, and that included the Peace river country. I think it was a very modest sum to ask for, but I am not half as modest as the minister. How much do you suppose I got?

Mr. LAPOINTE: Twelve thousand dollars?

Mr. FRASER: Three hundred dollars. Do you think that a square deal? I appeal to the Minister of Finance, who squeezes the last dollar as long as he can squeeze it. I got only 1.15 per cent of what I asked for, and the amount I requested had all been passed upon by the officials of the department as a reasonable one. On account of the treatment I got last year from this Liberal government I thought I had better make it plain on the floor of the House that I was really after something.

There is another matter. Accommodation has to be provided for the public in the shape of post offices. I have been looking over the reports of the Postmaster General for the past couple of years to see what has been expended on post office buildings in the different parts of the province, and I want to tell him that I have received requests from two different parts of my district for new post offices, one from Prince George, and the other from Salmon Arm. I am sure that if the minister were living in either place he would be in

full agreement with the people who are asking for these new post offices, because he looks rather reasonable, and I want him to grant this request.

Mr. VENIOT: Might I interrupt my hon. friend to say that that comes under the Minister of Public Works? I might help you out by recommending it.

Mr. FRASER: I am aware of the fact that the recommendation must come from the Postmaster General and his officials, and I appeal to him to make a recommendation in these two cases.

There is another expenditure that is badly needed in my district, and that is for the construction of roads. In that immense district the only means of communication for a lot of the settlers is the roads. In 1918 the Conservative government initiated a policy of assisting the provinces in the building of good roads. British Columbia has exhausted her portion of that grant, but there are thousands of miles of roads yet to be built in British Columbia, particularly in the district of Cariboo. That policy of the Conservative government was a very popular one in British Columbia, because it takes a lot of money to build the kind of road that is required, and we need assistance. I can assure the different ministers that if they provide a certain sum for this purpose I am sure they will be amply repaid for any expenditure they may make if they will only take a trip out to British Columbia and see the magnificent scenery we have out there. I have received all kinds of requests from my district, but I am a very modest man and I do not ask for anything that a reasonable man would not readily grant. I submit with all respect that the requests which I have put forward to-night are very reasonable and proper ones for me to make, and particularly with respect to the expenditure on telephones. Let the Minister of Public Works not forget that he granted only 1.15 per cent of what I asked for last year. I want him to do much better this year.

On motion of Mr. Young (Weyburn) the debate was adjourned.

On motion of Mr. Lapointe the House adjourned at 10.48 p.m.

Tuesday, February 22, 1927

The House met at three o'clock.

SELECT STANDING COMMITTEES

Hon. ERNEST LAPOINTE (Minister of Justice) moved that the names of Messrs. Blanchard, Ilsley and Sinclair (Queens) be substituted for those of Messrs. Rutherford, Lacroix and Fontaine, on the select standing committee on agriculture and colonization; that the names of Messrs. McRae and Telford be substituted for those of Messrs. Bouchard and Stevens on the select standing committee on marine and fisheries; that the names of Messrs. Cannon and Ralston be substituted for those of Messrs. Jacobs and Ilsley on the select standing committee of miscellaneous private bills; and that the name of Mr. Bradette, be substituted for that of Mr. Telford on the select standing committee of public accounts.

Motion agreed to.

PEACE RIVER RAILWAY OUTLET

Hon. CHARLES A. DUNNING (Minister of Railways and Canals): During the discussion a few days ago on the Peace river matter, a number of members of the House requested that they be provided with copies of the engineers' report in connection with that proposal. I find that the committee on public printing is not likely to meet for some time, and in view of the fact that the resolution of my hon. friend from Peace River (Mr. Kennedy) was referred to the committee on railways and canals, it is very desirable that copies of the report in question be made available for the members of that committee. I therefore move:

That rule No. 74 be suspended and that five hundred copies of the report of the engineers of the Peace River railway project be printed in English, and that seventy-five copies be printed in French.

Mr. T. L. CHURCH (Toronto Northwest): I should like to find out from the minister how this committee was appointed, and whether the forty-eight hours' notice which the rules require for such a resolution has been given.

Mr. SPEAKER: I understand from the Clerk that the committee has been properly constituted and that it will meet to-morrow.

Motion agreed to.

NATURAL RESOURCES—ALBERTA

Mr. PETER McGIBBON (Muskoka-Ontario): I beg to present a number of petitions praying for the transfer to Alberta of its natural resources without restrictions or limitations as to its complete control of its educational or other affairs.

FOOD AND DRUGS ACT, 1920, AMENDMENT

Hon. J. H. KING (Minister of Health) moved for leave to introduce Bill No. 105 to amend the Food and Drugs Act, 1920.

Sir GEORGE PERLEY: The minister might give us an explanation of this bill.

Mr. KING (Kootenay): The Food and Drugs Act, as is well known, was enacted in 1920, its object being to protect the purchasing public from infractions of the law, and, more particularly, to prevent adulterations of food and drugs. It has been in operation since that year and has accomplished a very considerable amount of good. The members of the staff desire to have a few amendments made to certain clauses in order to strengthen the act and make it more useful. These sections can be discussed in committee and explanations given at the time.

Motion agreed to and bill read the first time.

PRIVATE BILL

FIRST READING

Bill No. 66 (from the Senate) to incorporate Gatineau Transmission Company.—Mr. Fontaine.

LIVE STOCK ACT

On the Orders of the Day:

Mr. D. M. KENNEDY (Peace River): I should like to ask the Minister of Agriculture when we may expect a new Live Stock Act to be introduced, an act providing amongst other things for facilities in connection with coöperative marketing.

Hon. W. R. MOTHERWELL (Minister of Agriculture): Unless something quite unexpected occurs, we hope to introduce either a consolidated Live Stock Act or an amended one some time during the next two or three weeks.

CIVIL SERVICE SALARIES

On the Orders of the Day:

Mr. L. J. LADNER (Vancouver South): Is it the intention of the government at the present session to bring about a salary revision for the civil service? I ask this question because of insistent inquiries made in different parts of the country and an insistent rumour that it is likely that this revision may be carried over until a subsequent session.

Hon. FERNAND RINFRET (Secretary of State): The matter is under consideration.

[Mr. McGibbon.]

CANADA GRAIN ACT

On the Orders of the Day:

Mr. M. N. CAMPBELL (Mackenzie): I should like to ask the Minister of Trade and Commerce if he can give the House any information as to when the bill to amend the Canada Grain Act may be placed before parliament.

Hon. JAMES MALCOLM (Minister of Trade and Commerce): The bill is receiving consideration and it will be introduced in plenty of time for full discussion before the end of the session.

FLAG OVER CANADIAN LEGATION—WASHINGTON

On the Orders of the Day:

Mr. T. L. CHURCH (Toronto Northwest): What flag does the government propose to have fly over the new separate Canadian embassy at Washington on account of Canada's new status as a nation?

Hon. ERNEST LAPOINTE (Minister of Justice): The same flag as is flying over the Canadian building in London.

RETURNED SOLDIERS' INSURANCE

On the Orders of the Day:

Hon. J. H. KING (Minister of Health): In reply to a question asked by the hon. member for Vancouver-Burrard (Mr. Clark) on Friday last, I would inform him and the House that resolutions growing out of the Winnipeg convention of the British Empire Service League and some one hundred in number, including the resolution he spoke of, namely, insurance for returned soldiers, are under consideration in the department at the present time.

WASTE OF NATURAL GAS IN ALBERTA

On the Orders of the Day:

Mr. D. F. KELLNER (Athabaska): I should like to ask the Minister of the Interior if anything is being done to stop the wastage caused by the escape of natural gas from oil wells in Alberta.

Hon. CHARLES STEWART (Minister of the Interior): A great deal has been done to stop it. It would take too long to answer a question of this character. If my hon. friend will put a question on the order paper, I shall be glad to give him full information.

THE BUDGET

CONTINUATION OF DEBATE ON THE ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed from Monday, February 21, the debate on the motion of Hon. J. A. Robb (Minister of Finance) that Mr. Speaker do now leave the chair for the House to go into committee of ways and means, and the proposed amendment thereto of Mr. Coote.

Mr. E. J. YOUNG (Weyburn): Mr. Speaker, I am not inclined to favour the amendment moved yesterday by the hon. member for Macleod (Mr. Coote). We have to-day a tariff board set up for the express purpose of examining into all applications for changes in tariff. We have been insistent and will continue to insist that no changes be made in the tariff until they are examined into and reported upon by that board. It would be a grave mistake on our part to begin now to make exceptions to that rule. If we should insist to-day on the Minister of Finance (Mr. Robb) making certain reductions in the tariff without reference to the board, where would we be if some future Minister of Finance taken from the other side of the House should begin to make increases in the tariff without reference to the board? What could we say to him? We would not have a leg to stand on.

I am opposed to the amendment for another reason. I do not consider it good strategy. It may be a spectacular thing; it may be a heroic thing to undertake to demolish a fortress with a spattering fire of musketry, but it will not get one very far. I think Napoleon's great rule of warfare was: Always be stronger than the enemy at the point of attack. But the proposed amendment of my hon. friend reverses that rule and proposes to attack the tariff where it is strongest, to attack it at the point where it increases the cost of living. If he had undertaken to direct his attack at the point where it increases the cost of production, I think he could have made out a stronger case. I had the matter very aptly put in a letter which I received not long ago from a friend who said, The Canadian industrial coach is well able to bear the burden of taxation if you put the load on the axle where it belongs; but if you put the load on the tops of the wheels, it will act as a brake and tend to stop the coach. To my mind the greatest evil of the tariff to-day is that it puts the weight of taxation on the tops of the wheels and retards industrial progress. That is the point at which we should attack it. For these reasons I say I am not in sympathy with the amendment moved by the hon. member for Macleod.

Perhaps the most notable feature of the budget is the complete absence of any changes in the tariff. All things considered, I believe this was a wise plan. The tariff board is now functioning. It is bringing to light much valuable information in regard to the tariff which has not hitherto been available, and because of the existence of the board we are learning many things about the tariff which we never knew before. It is the part of wisdom that we should wait for the findings of the board before attempting to interfere with the tariff, for the most outstanding fact that has been revealed in the discussions before the board is this, that no changes, either upwards or downwards, can be made in the tariff, the effects of which changes can be confined to any one industry, but every such change will be felt by every industry in the country.

It is imperative that before we undertake to make any changes in the tariff we have the report of the board as to just how far-reaching those changes will be. Some men have argued that the board has already reported on a number of cases, and they ask: "Why does the government not act in regard to these cases?" The answer is very simple. It is true that the board has reported on some twelve or thirteen cases, but those reports have only recently been handed to the Minister of Finance. They have not yet reached members of this House. Any changes made in the tariff and based on these reports will have to be decided upon by this House. The tariff advisory board gathers the information and submits it to the minister. Based on that information, the minister will make recommendations to the House, but we the members of this House are the men who will have to decide whether or not those changes are to become law. We are the men who will have to defend those changes before the people of the country, and I for one do not purpose going before the electorate and defending any change in the tariff either upward or downward by saying: "We made this change because the minister recommended it on certain evidence that he received from the tariff board, but what it was, I do not know." Before we undertake to sanction or to make any changes in the tariff we must have before us the reports of the board and the evidence on which those reports are based. It would cost the government a little more money, I know, to print the evidence, but they have already gone to considerable expense in creating the board to gather this

information, and of keeping a Hansard reporter there to record the evidence, and the only additional expense would be the cost of printing and distributing the report to the members. To-day we are in receipt of printed copies of all the evidence taken before the Senate divorce committee. Nobody reads it: we all throw it into the waste paper basket as soon as we receive it. That is a service that could very well be dispensed with, and the money thus saved could be devoted to the cost of printing the evidence taken before the tariff board and putting it into the hands of the members of this House.

But while it is important that we refrain from making changes in the tariff until such time as we have these reports before us, it is of infinitely more importance that we see to it that nobody else makes any changes in our tariff without our knowledge and consent. It is infinitely more important that we so frame our tariff laws that no man or body of men other than this House shall have power to say what our tariff shall be. I wish to call attention for a moment to section 47 (a) of the Customs Act, which reads as follows:

If at any time it appears to the satisfaction of the Governor in Council on a report from the Minister of Customs and Excise, that natural products of a class or kind produced in Canada are being imported into Canada, either on sale or on consignment, under such conditions as prejudicially or injuriously to affect the interests of Canadian producers, the Governor in Council may, in any case or class of cases, authorize the minister to value such goods for duty, notwithstanding any other provisions of this act, and the value so determined shall be held to be the fair market value thereof.

That is section 47 (a) of the Customs Act. In a word, it gives the Minister of Customs and Excise power to place an arbitrary valuation on certain classes of goods if, in his opinion, the importation of those goods is injurious to Canadian interests. I ask you to pause for just a moment to consider the full significance of these innocent sounding words. Let me read them again:

If at any time it appears to the satisfaction of the Governor in Council on a report from the Minister of Customs and Excise, that natural products of a class or kind produced in Canada are being imported into Canada, either on sale or on consignment, under such conditions as prejudicially or injuriously to affect the interests of Canadian producers—

Last session I sat in this House day after day, week after week and month after month, from January to July, listening to hon. gentlemen opposite argue that all such importations were injurious to Canadian producers. Now let us suppose for a moment something that actually happened. Let us suppose that hon. gentlemen opposite, who hold those views were to get into power, which they did, how hard would it be to persuade a minister chosen from their ranks that such importations were injurious to Canadian producers. All that it would be necessary to do would be to produce a customs return showing that imports were being made, and then what would follow? Read what the act says:

The Governor in Council may, in any case or class of cases, authorize the minister to value such goods for duty, notwithstanding any other provisions of this act.

In other words, the Minister of Customs is there given power to set aside the whole Customs Act and place the tariff as high as he likes. Those are the provisions of section 47a of the Canadian Customs Act, and that clause was inserted by the parliament of Canada in the session of 1922. Was there ever such an abject surrender of the powers of parliament? Parliament when it inserted that section in the act practically said to the minister: We are no longer capable of managing our own affairs; we are no longer worthy to be free; do you manage our affairs for us, and do with us as you will.

I wish to call attention to another section of another act, section 6 of the customs tariff, commonly known as the Dumping Act. It reads as follows:

In the case of articles exported to Canada of a class or kind made or produced in Canada, if the export or actual selling price to an importer in Canada is less than the fair market value of the same article when sold for home consumption in the usual and ordinary course in the country whence exported to Canada at the time of its exportation to Canada, there shall, in addition to the duties otherwise established, be levied, collected and paid on such article, on its importation into Canada, a special duty (or dumping duty) equal to the difference between the said selling price of the article for export and the said fair market value thereof for home consumption; and such special duty (or dumping duty) shall be levied, collected and paid on such article, although it is not otherwise dutiable.

Provided that the said special duty shall not exceed fifteen per cent ad valorem in any case:

Then, further down, is a provision which says that such special duties shall not be imposed unless the Canadian producers are able to supply the market.

Now what happened. I have here a copy of order in council P.C. No. 1088, dated Government House, Ottawa, Tuesday, July 13, 1926, which reads as follows:

PRESENT

His Excellency

The Governor General in Council—

Whereas the Acting Minister of Customs and Excise reports that, from information in his possession, it is established that fruit and

vegetables of a class or kind produced in Canada are being imported into Canada from glutted markets in the United States at values such as prejudicially or injuriously affect the interests of Canadian producers;

Therefore His Excellency the Governor General in Council, under and in virtue of the provisions of section 47a of the Customs Act, is hereby pleased to authorize the Minister of Customs and Excise to value such fruit and vegetables for duty, notwithstanding any other provisions of the Customs Act; the values so determined to be held to be the fair market value thereof.

So section 47a of the Customs Act was set in motion, and let us see what happened. The order in council was passed on the 13th day of July, 1926, and I have here a letter dated July 29, 1926, some sixteen days after, from a wholesale fruit and vegetable dealer, who says:

Under the authority of section 47a of the Customs Act and by order in council No. 1088 July 13th, the hon. the Acting Minister of Customs and Excise values certain fruit and vegetable products when imported from the United States of America, as follows:

Then he gives a long list of vegetables, and the valuations per pound—tomatoes, cucumbers, cabbage, celery, onions, potatoes, asparagus, carrots, beets, lettuce, spinach, cauliflower, peaches, raspberries, and, a few days later, pears, prunes and plums. The letter goes on:

The Canadian jobbing trade, as well as the consumer, is always willing to give preference to Canadian-grown fruits and vegetables at reasonable prices. In the past we have often passed up American goods at cheaper prices owing to certain help being needed in British Columbia. I have never known of vegetables being imported into western Canada when Canadian-grown vegetables were able to fill the demand. To-day—

That is sixteeen days after the order in council was passed.

To-day Ontario is not yet shipping tomatoes and British Columbia is unable to take care of the demand at $1.75 per crate, yet American tomatoes which on July 13th only cost around 50 cents a crate f.o.b. Tennessee are raised to a value of 85 cents a crate when they could do no harm to Canadian-grown tomatoes nor help the Canadian farmers, and is a straight tax on the consuming public. This means that all the customs would have collected would be 30 per cent of 50 cents—

The duty on tomatoes is 30 per cent:

—or 15 cents a crate. There are 1,000 crates in a car, which would make the duty $150.

Under the new regulations, the duty is raised to thirty per cent of 85 cents plus fifteen per cent of 85 cents as penalty or a total of 38 cents a crate or an addition of $230 per car.

Now, Mr. Speaker, what was done? An order in council was issued giving the minister, under the authority contained in clause 47a of the Customs Act, power to place an arbitrary valuation on tomatoes. He did so, and placed the value at 85 cents a crate when tomatoes were being bought in the United States for 50 cents. In so doing he raised the duty from 30 per cent of 50 cents, which is 15 cents, to 30 per cent of 85 cents, which is 25½ cents. But the minister did not stop there. On top of all that he imposed the dumping duty. Section 47a of the Customs Act gives him power to put on an arbitrary valuation. Where did he get the power to impose the dumping duty? Not in the statutes of Canada. The dumping duty section specifically states that it shall not be imposed unless dumping is being practised. That is to say unless goods are being sold for importation into Canada at a lower price than the price at which they are being sold in the country from which they come, and the minister, after increasing the duty, turned round and imposed this dumping duty. What was the effect? The regulations under 47a and the order in council No. 1088, gave him power to increase the duty to 25½ cents. If dumping had been going on he could have increased the duty 15 per cent ad valorem. That would have been at the very most 27¼ cents. He actually increased it to 38¼ cents. He actually increased the duty on tomatoes from 30 per cent to 76½ per cent a straight increase of 46½ per cent. How did he do it? He did it by pyramiding section 6 of the customs tariff on top of section 47a of the Customs Act. I inquired of the Customs department why that extra fifteen per cent was imposed, and they said that that was penalty. Penalty for what? Penalty for having an arbitrary valuation placed on your goods by the Customs department. Who gave the customs officials of this country authority to impose a penalty on anybody who was not violating the laws? They told me that dumping was going on. I undertook to find out whether it was going on or not and to find out what evidence there was that it was being practised. I went to the Minister of Customs and asked him. He reminded me that the Liberal party was not in power at the time and that the Conservatives were responsible. He referred me to his private secretary. I went to the private secretary and he referred me to the deputy minister. I went to the deputy minister and he referred me to somebody else. I went to that somebody else, and he referred me to still another. I think I went to every man in the customs building, except perhaps the policeman and the janitor, and I put the same questions to everyone. "What evidence had you that dumping was being practised last July when you imposed

the dumping duty?" They all made the same answer: "Plenty of evidence", but when I asked further: "Might I see the evidence?" they all began with one accord to explain that the evidence would be found in some other office. At last I found a man who told me he thought the evidence could be found in the Department of Agriculture. I wended my way to the Department of Agriculture and asked them if they had any evidence that dumping was carried on last July, and they said no, they had no evidence, but that they thought they knew where I could get it, and they put me in touch with the paid secretary of a growers' association who has an office in this city. I got the gentleman on the telephone and asked if he had any evidence that dumping was going on at the time referred to. He replied that he had abundant evidence. I said I would like to see it. We arranged an interview for the next morning. The next morning I screwed my courage to the sticking point and went to interview in his own den, the man who dictates to the people of Canada what taxes they shall pay. He was not such a formidable looking man when I met him, but was a very genial unassuming looking fellow, apparently quite unconscious of the power that he wields. He said, "You want some evidence of dumping", and I said "Yes", and he laid before me a number of resolutions passed by Canadian fruit growers associations in different parts of the country, asking that the duty be increased, on their products, I read them over carefully and I said, "These are very interesting, but you promised me some evidence of dumping", He said, "Oh, yes", and handed me a lengthy telegram from some marketing agent out in British Columbia, stating that the United States that year expected to harvest a very large crop of fruit, and Canadian growers were afraid that some of this fruit might find its way into the Canadian market, the telegram asked that the government take some steps to keep it out. I said, "This is very interesting, but you promised me some evidence of dumping". Now, Mr. Speaker, he had not one shred, not one scintilla of evidence of dumping. There was not even a charge of dumping, and finally he said, "We did not need any evidence, for we knew it was going on". That was enlightening. I then asked him how he proceeded in the matter. The procedure, was very simple. He went to the Acting Minister of Agriculture. I am sorry that the acting minister has left his seat. The acting minister made representations to the Acting Minister of Customs—I am sorry he is not in his seat. The Acting Minister of Customs made representations to his acting colleagues. I do not think any of them are in their seats. The acting colleagues got busy, and acted quickly in the matter. They passed order in council 1088 and all the rest was done automatically. How they arrived at the figure of 85 cents a crate as the fair market value of tomatoes in Tennessee last July, I do not know, and it makes no difference. Under section 47a as it stands, he could have placed a value of $85 a crate and still have been within the law. There is no limit. I think probably he arrived at 85 cents on the same kind of evidence as that on which he arrived at the fact that dumping was going on. It was John Bourinot who made himself famous by writing that book How Canada is Governed. I believe he could make himself famous in heaven if he would come back now and write the sequel to it. Let us review now briefly what happened. Certain tomato growers in Canada who were receiving a good price for their early varieties of tomatoes, but whose main crop was not yet ready for the market, being unable to supply the early market, and realizing that as soon as the main crop of Canadian tomatoes came on the market the price would drop, as it should drop, conceived the idea if they could shut out American tomatoes from the early Canadian market, they could store up Canadian appetites for their future use, and that by so doing, when the main Canadian product did come on the market the people would be so hungry for tomatoes that they would snap it up regardless of price. I do not know how wealthy these people are, but they are wealthy enough to keep a paid secretary in Ottawa to convey their wishes to the government. This secretary whispered into the friendly ear of a sympathetic government and section 47a of the Customs Act and the order in council passed under it did all the rest, and they increased the duty on tomatoes from 30 to 76½ per cent.

My hon. friend from Vancouver Centre (Mr. Stevens), who was Acting Minister of Customs at the time, had much to say last session about the people defrauding the Customs department. I wonder if he will have anything to say this session about the Customs department defrauding the people when he himself was at the head of it. To-morrow, Mr. Speaker, I intend to move for a return showing in how many cases the Customs department has been compelled to disgorge the dumping duty after collecting it.

It used to be charged that our tariff was made behind closed doors, that certain giants of rapacity would call on the Minister of Finance in his office and tell him what they required in the way of tariff protection; and

it was done. The Liberal government a year ago undertook to put a stop to all this and appointed the tariff advisory board. Henceforth all applications for changes in the tariff were to be made before the board and heard in broad daylight, and were to be passed on by the tariff board before being submitted to parliament. But "what boots it at one door to make defence and at another to let in the foe?" No sooner had my hon. friends opposite got into power than they discovered a secret door through which the enemy could be admitted. The hon. member for Vancouver Centre, at that time Acting Minister of Customs and Excise, opened this side door, which is No. 47a, and allowed the enemy to come in. I am not arguing, Mr. Speaker, for a higher tariff, I am not arguing for a lower tariff; I am arguing for parliamentary control of the tariff. Under such an arrangement as this by invoking section 47a of the Customs Act in conjunction with clause 6 of the customs tariff, it is possible for officials to do anything they like with the tariff. I am arguing for a return to parliament of the power which rightfully belongs to it—power to say what our customs duties shall be. It was never contemplated that under the dumping clause the special duty should be more than 15 per cent, but by pyramiding one on top of the other they have actually put on a special duty of 46½ per cent.

I urge on this House and on the government the necessity, first, of repealing section 47a of the Customs Act and, secondly, of making provision that the dumping clause shall never again be applied until satisfactory evidence has been produced before the tariff board that dumping actually exists.

Mr. GOTT: Mr. Speaker, will the hon. gentleman disclose the author of the letter that he has read to the House?

Mr. YOUNG (Weyburn): The letter was written by a wholesale dealer in western Canada, but I have not had time to get his permission to attach his name to it. However, the facts in it are all borne out by official documents to which my hon. friend can refer.

Mr. GOTT: In the course of his remarks my hon. friend asked a question which I should be very pleased to answer with his permission.

Mr. YOUNG (Weyburn): Yes, answer anything.

Mr. GOTT: The hon. member asked what effect this order in council had. In the riding which I have the honour to represent it meant the immediate consumption of Canadian-grown produce by Canadian people.

Mr. YOUNG (Weyburn): I think we see the effect before us.

Mr. R. C. MATTHEWS (Toronto East Centre): Mr. Speaker, may I ask your indulgence for a brief space in order that I may make a few observations on the subject now before the House, namely, the budget speech delivered on Thursday last by the hon. Minister of Finance (Mr. Robb). I congratulate the minister on his review of our financial position. His deliverance has the great merit of brevity and lucidity. To deal with the finances of Canada with such completeness in a brief address is in itself an achievement, and one upon which I have much pleasure in offering him my congratulations.

The minister takes credit for the present indications of a revival in trade and commerce. It is quite natural perhaps that he should do so. I do not know, however, that in assuming that credit the minister can lay claim to very much originality. If he inquires carefully he may find that other ministers of finance in their day have not been too modest to suggest at least that similar credit belonged to them. It is probably true there is a feeling of optimism abroad, but I am not able to follow the logic that this has been brought about by governmental achievement. Every banker, every publicist and every other man of practical knowledge of affairs, knows that through the efflux of time and through much tribulation on the part of our trading and manufacturing community we as a country have happily emerged at last from post-war deflation; that stocks of merchandise have been liquidated and that the writing off period has finally passed. The great merchant class is now buying commodities, carefully it is true, but new and fresh stocks are in demand, not because this government has brought about the condition, but because the slow process of liquidation is virtually complete and a new demand for merchandise has at last sprung up. This is a condition to be desired, and is the inevitable consequence of drastic writing down and of the unprofitable era of trade through which we have recently passed.

Our deflation period was a long and trying one, longer than that of our neighbours to the south. Our early entry into the war, and our loss in manhood, which was high in comparison with that of the United States, made it impossible for us to have the quick recovery

which they enjoyed. That the tide has not really more than set in is shown by the current loans of our chartered banks. Their current loans and discounts at the end of December, 1926, amounted to $970,000,000; at the end of December, 1925, they amounted to $903,000,000—an increase of $67,000,000. This increase, so far as it is an indication, shows that there is some expansion in business, a little over seven per cent. But it is to be observed that the United States consular offices are still crowded with applicants who desire to leave the Dominion. Our savings deposits on December 31, 1926, amounted to $1,372,000,000, and our deposits not bearing interest to $608,000,000. With this general condition facing the Dominion, the resumption of business on a scale not experienced in recent years, was the sure effect of a certain cause, and only governmental action of an alarming nature could have prevented it. Added to this was the gratifying fact that the country in 1926 enjoyed a harvest of unusual quantity and value.

Now, Mr. Speaker, I should like to say a few words on the question raised by the hon. member for West Calgary (Mr. Bennett) in regard to the liquidation of our national debt. I approach this subject with a good deal of respect because it is of such magnitude and importance to Canada. I think you will agree that it should be dealt with in the most comprehensive and, at the same time, the most careful way. The minister was good enough to make a statement in regard to his prospect of handling the capital obligations of the country maturing in 1927. He pointed out that he hoped to be able to redeem the $8,000,000 four per cent three-year notes in cash, and he stated further in regard to the $29,000,000 five and a half per cent renewal loan maturing on November 1 of the current year that our finances permitting, he would redeem at least a portion of this loan in cash and the balance would be refunded. The loan of $63,000,000, five and a half per cent tax-free victory bonds, maturing on December 1, 1927, he will refund at a lower rate of interest, the minister presuming of course, that the present ease in money will continue until such time as he makes his refunding loan.

But the minister stopped at that point. He did not take the House into his confidence as to what his intentions are, if he has any intentions, in respect of loans maturing within a measurable period, and which are of great magnitude. The government may say that the time is not yet at hand for any particular worry or action in this regard, but I would respectfully point out that in recent months inquiries have been general concerning this matter. Surely it is not the intention of the government to wait until the year of maturity of these important loans to outline to the House and to the country what its intentions are.

In order that the House may be apprised of the importance of this matter I may specify the amounts of the several loans and the dates of maturities:—

Year	Per cent	Amount
1927	5½	$ 29,068,400
1927	5½ Victory	63,437,250
1928	5	53,000,000
1931	5	52,931,500
1932	5½	73,325,150
1933	5½	446,658,800
1934	5½	511,910,650
1936	4½	40,000,000
1937	5 War	90,166,900
1937	5½	236,298,850

These amounts total $1,596,797,600. Here we have this vast financing facing us, and there may be even further maturities within this period of which I have not the particulars. It is true that some of these bonds will not mature until 1937, but from 1931 to 1934 inclusive the amount that must be taken care of is $1,084,826,200. When you consider that within the next few years we shall have over one billion dollars coming due, with few if any sinking fund provisions operating to reduce the debt, and without any plan of amortization offered, the matter is certainly not one for congratulation.

A situation not altogether unlike this one, but of course of less magnitude, was found to exist three years ago in the province of Ontario. Not only were the annual deficits so large as to alarm the province, but the great bulk of the debt, which had been tremendously increased in recent years, was in a state somewhat similar to the condition of Canada's obligations of which I am now speaking. There were no sinking funds, nor was there any plan calculated to effect retirement. The then treasurer of the province, after consideration, decided to make a survey of the whole matter and he asked the Bankers' Association as well as the investment bankers to name an expert each. These gentlemen, together with the government accountant, made a survey of the whole debt of Ontario, with a view to its ultimate redemption, and they brought in proposals to retire the debt within forty years, which proposals the government adopted. The treasurer, speaking in the legislature, referred to the redemption plan in the following terms:—

I believe it is the most important thing that has ever come before this legislature, and will have a very large effect. It will enable the

province to save over $128,000,000 during the next forty years. It will be a positive, definite advantage in handling provincial finances.

If some such plan were important for the province of Ontario, surely it is equally important for the Dominion. In regard to future loans the provincial treasurer made this statement:

I have dealt with the present provincial debt. We are making provision to pay this off, but in the future all loans placed by the province must provide for a retirement on the instalment annuity basis, or on a sinking fund basis.

It will be apparent that the Dominion likewise must presently face its debt liquidation. Our financial and economic security and confidence demands the formation and the adoption of a policy covering the whole problem of debt retirement, and the question as to how this debt shall be met, and within what period. A knowledge of this matter would give to industry and finance a basis on which to formulate their own plans.

The Minister of Finance has spoken of retiring certain bonds in the present year. As to his proposals for 1927, I have no criticism to offer, because he anticipates the redemption out of a surplus of several million dollars. But the debt problem remains unsolved; it is not grappled with. I submit, it would be better financial policy to make a general arrangement for debt retirement, and announce as Ontario has done, than to go on and overtax the people, retiring a little here and a little there from year to year as circumstances may warrant. Instead of formulating a policy of its own and grappling with the problem, the government has left it to this side of the House to crystallize this matter into definite proposals. The first proposal that has come forward has been from the financial critic of this side, the hon. member for West Calgary. He at least has given the question his close attention and has made a proposal that must appeal to the imagination of the country at large. Whether his plan is feasible in its entirety, or just as he outlined it even in general terms, I suppose few men in this country would be prepared at the moment to say. But there is a good deal of merit in it, and with modifications it may be capable of at least partial adoption. It does aim at a definite goal, namely, the complete retirement of Canada's national debt as it exists to-day, and on that basis alone, it is worthy of the most careful examination and consideration. It not only has a great national financial achievement in view, but it embodies a patriotic appeal, and if those institutions which are most directly concerned will view the matter in this light, it is possible that something may eventuate which will be of enormous advantage to our whole financial fabric. At the moment, in comment with others who have heard of this plan only within the last few days, I am not prepared to give it full approval, but I am sure that the country will give the hon. gentleman who proposed it credit for a thoughtful and interesting proposal, and for a patriotic endeavour to deal with the great problem to which the government apparently has given little or no consideration. The outstanding fact is that the ultimate redemption of the national debt is a vital question. At least a billion dollars should be paid off in the next forty years, which would mean I am told a yearly payment of something like $10,000,000.

The government also point with pride to certain reductions in taxation. This relief as far as it goes is welcome. Other countries are following the same course, and the reductions now proposed are only an indication of the general tendency of government finance. The income tax was instituted as a war measure in 1917. The war is over but the capital debt remains, and the ministry feels obliged to proceed with caution in doing away with this plan of taxation. Whether we agree or do not agree that Canada's income tax is a wise and necessary form of extraction, there are one or two facts upon which there should not be much difference of opinion. The first one is, that if this tax is to remain it should be enforced. The act makes it obligatory upon certain persons to pay taxes. Every resident of Canada to whom its provisions apply should be under the necessity of complying with this act. The enforcement should make every citizen who is assessable contribute his share as laid down by the statute. If latitude is allowed to individual discretion it would seem that the revenues must suffer in consequence. Is it reasonable to suppose that all taxable persons on April 30 of every year will make to the government a full and complete statement of all items of income received from any source for the prior year ending December 31? If it is an assured fact that without exception those assessable will do so, well and good, but I do not know of any country where such scrupulous care would be used by the population who are called upon to perform what many describe as a very disagreeable function, that of paying taxes. Perhaps we can learn, in this as in other matters, something from Great Britain where many years of experience with the income tax has taught them not to leave this matter largely in the hands of those who are to pay income taxes, but to collect at the source. This withholding of the tax at the instance of the government assures the country

of its proper collection, and all persons are treated alike in so far as they are involved in the necessity of contributing to the government's finances in this way. The tax is made compulsory and evasion is practically impossible. Of course, Mr. Speaker, I am well aware that in many respects, as for instance in the case of the salaried man, and company directors and the shareholders, there is compulsion in Canada perhaps equal to that in England or in the United States, but in its broader application the tax is left in a large measure to the honesty of those making the returns. This is not a phase of the subject that one can reason to definite or accurate conclusions to be expressed in dollars and cents, but, nevertheless, one does feel that if there were no escape from the payment by those properly assessable the rates would not be as high as they are to-day to ensure the amount of money that is now collected.

Is it not a fact that in the collection of this tax the government follows the lines of least resistance, and confines its greatest efforts to those whose incomes are a matter of record? That is the impression that is abroad, for reading a quotation in the Ottawa Citizen, of February 21, I find the following statement copied from the Vancouver Province:

> The federal income tax for the last fiscal year yielded $56,197,056, according to a report made by the Department of Finance at Ottawa. The various provinces paid as follows:
>
> | | |
> |---|---|
> | Ontario | $26,539,342 |
> | Quebec | 18,281,878 |
> | British Columbia | 4,150,852 |
> | Manitoba | 3,423,623 |
> | Alberta | 1,445,075 |
> | Saskatchewan | 872,761 |
> | New Brunswick | 712,187 |
> | Nova Scotia | 693,403 |
> | Yukon | 40,503 |
> | Prince Edward Island | 37,428 |
>
> The returns show that Ontario paid nearly half the tax, and that Ontario and Quebec together paid four-fifths of it. British Columbia, the third province, paid something over six per cent. It is worth noting that British Columbia paid nearly as much income tax as Manitoba and Saskatchewan together, although our population is not much more than half theirs, and that we paid three times as much as the three maritime provinces, whose population greatly exceeds ours.
>
> If these figures mean that our prosperity here on the coast was proportionately greater than the prosperity of the prairie provinces, or the maritimes, we should have no complaint to make. But it scarcely means that. It means on the contrary, that we, being more highly industrialized, have larger payrolls and therefore more people who are shining marks for the shafts of the income tax collector. As a matter of fact, the income tax of Canada is paid almost entirely by the people of the cities whose incomes are easily ascertainable.

[Mr. Matthews.]

If this is true, if the tax lacks universal application, that application should either be put into force or the tax done away with. Canadians should be treated alike. I believe they do want to share their country's burden according to their ability to do so, if they feel they are getting a square deal.

Dr. J. C. Hemmeon of the Department of Economics of McGill university, speaking before the Professional Institute of the Civil Service in Ottawa last night, is reported in the Journal to have said:

> It is a little strange, that when our income tax was the same as the United States', they raised thirty times as much from this tax as we did in Canada.

Moreover, in the United States, all municipal bonds, or debentures as we call them in this country, are exempt from federal taxation. What the total of such securities would be, I have no idea; it would be a very difficult thing to calculate; but certainly it runs into the billions, and all those securities issued anywhere in the United States are, I understand, free from federal income tax. Canada has the advantage in that incomes received from all bond or debenture issues are taxable with the exception of those received from several federal bond issues which will mature within the next ten years.

In the second place, if the tax is to remain, the rates should be lowered. In comparison with other countries and particularly with our neighbour, the United States, our rates of taxation on medium incomes are very excessive. The adjustment of rates in 1926 had the effect of increasing the exemption and lowering the tax on comparatively small incomes. The particular point that I wish to make is that a general decrease in the income tax schedule and the enforcement of the provisions of the act, would not necessarily involve a diminution in the amount of money received. Rates would be lower, and if the tax were collected at the source, every taxpayer would be treated the same as every other, according to his responsibility. I am sure the government would be surprised at the happy results to the federal treasury.

As an example of this, it is well known to the Minister of Finance that the Secretary of the Treasury of the United States made in 1926 very substantial reduction in income tax rates, on the assumption that a scientific revision would not only result in satisfaction to the people, but would induce many who had exercised every possible device to escape income tax, to change their attitude when they found that the government had made drastic reductions. They would discontinue evasion and make payments according to the revised provisions.

So, it was with very special interest that the outcome of Mr. Mellon's experiment was awaited, and on January 26, 1927, the results were announced. These proved that, as a prophet, the Secretary of the Treasury had been vindicated. The collections for the year increased from $1,825,000,000 in 1925 to $2,172,000,000 in 1926, although the rates of income tax had been substantially reduced. There are those who are always ready to say that if you reduce our very high income tax rates, you will necessarily reduce the amount collected. The experiment in the United States has not justified such a belief. On the contrary, it has shown that as a result of the very drastic reduction made prior to the collection of 1926 taxes, $346,000,000 more was paid in income tax money in 1926 than in 1925. This, in the face of the reduction in rates by congress early last year, was considered to be a most remarkable result.

The Secretary of the Treasury had told congress, and had emphasized the fact, that within reasonable limits reduced rates upon scientific lines would produce greater revenue. If levies were cut down to a sensible, peacetime basis, the tendency to evade taxation would diminish and the result would be increased income to the government. The figures completely support that theory, and so, Mr. Speaker, I venture to say that the same result could be achieved in this country. If evasions were stopped and if the rates were reduced, you would find surprising results and a more general approval of this particular tax, because every man would feel that he and his neighbour were both obligated to pay according to the amount of income they received.

There is just one other matter to which I would like to refer, and that is relief from income taxes of those public-spirited citizens who are giving of their means for carrying on work to the advantage of those who are less fortunate financially and who need either government or private assistance. Such relief, it seems to me, might well be instituted to the extent of contributions to hospitals and educational institutions. This country should not be able to afford to place a specific fine on largeness of heart. There are thousands of our citizens who are in need of hospital treatment and who cannot pay for it, and their good-hearted neighbours are coming forward and placing at the disposal of hospitals and other institutions funds that make it possible for them to help the poor and needy. In some cases gifts are withheld or diminished in size because of dissatisfaction over the application of the income tax to such gifts. On this account it is becoming more difficult to realize from taxpayers the necessary amounts to carry on educational and charitable work.

The purposes of relief work have such a human appeal that those who do not pay income tax could not make any objection to the relief of the taxpayer who is willing to make his contributions. It is a fact to-day that the beneficent work of hospitals cannot be carried on without enormous private contributions. The demand for relief from income tax on contributions made to charitable institutions is widespread throughout the country. Its application would be simple and easy of control and would be a wholesome recognition to men and women who are to-day concerned in giving, in many cases until it hurts, to services that are for the general public welfare.

The United States amended its revenue act in 1926 to permit deductions from incomes of contributions such as gifts to the state itself, or to charitable, scientific, literary, educational, and other specified purposes up to, I think, 15 per cent of the taxpayer's net income. McGill university six years ago made an appeal for several millions, and twenty-four hundred subscribers paid $100 or more. The Toronto General hospital is presently appealing for $2,500,000. The Sick Childrens' hospital is a most worthy institution and is truly national in scope, and those who support it by voluntary gifts, as in other such cases, are obliged to pay income taxes on their contributions.

I am informed that appeals for funds for large institutions in Toronto this year will be made to the extent of $4,500,000. The canvassers are met daily by income tax objections. Doubtless subscriptions would be greatly increased if donations, properly limited as to application by the department, were excepted. This matter was referred to earlier in the debate, and I hope that the Minister of Finance will see his way clear to make such amendments to the Income Tax Act as the United States has done, to cover the urgency of this situation.

These observations, I have tried to make, Mr. Speaker, in a helpful or constructive spirit. I have not criticised for the sake of criticism. We should address ourselves to Canada's great problems in a larger way, in the hope that good may accrue to the enduring benefit of all the people.

Mr. J. A. GLEN (Marquette): Mr. Speaker, like most of the other speakers in this debate, I should like to congratulate the Minister of Finance (Mr. Robb) on the presentation of his budget. I should like to congratulate

him, in the first instance, on something which I hope to emulate in my remarks, and that is his brevity. I cannot hope to emulate him in the importance of the subjects embraced in his address, but I think I have something to contribute which might also be of importance to this House.

During the course of this debate there have been a number of curious things said, but of all the things said, what struck me as the most curious was the remark of the hon. member for West Calgary (Mr. Bennett) when he advocated what, if it is not a capital levy, is certainly the commandeering of wealth. I little expected to hear from the Conservative side of the House a suggestion to any government for the commandeering of wealth, and although I have a sneaking regard for that particular form of levy, I do not think the hon. member has made out a case which is worthy of consideration at this time. I was more concerned with what the hon. member for West Calgary said when he congratulated the Minister of Finance on the provisions of his budget. I have always looked with suspicion upon any Conservative who was willing to support a Liberal budget. That to me is always a very suspicious circumstance.

Miss MACPHAIL: For the Liberals, yes.

Mr. GLEN: For the Liberals, yes. I have always been a Liberal, latterly a Progressive, and I always hated to see Conservatives supporting my policies. I remember long years ago, when Sir William Harcourt was going through the old country pleading on behalf of the Liberals, he landed in Edinburgh and made a wonderful speech. The next morning one of his friends said to him, "I see that you have obtained the congratulations of the Edinburgh Scotsman,"—the greatest Tory paper in the east in that day, and Sir William Harcourt replied, "If that is so, I fear I have failed in my duty in stating Liberal principles." And a curious thing, Mr. Speaker, is this: Not only has the benediction of the hon. member for West Calgary been placed on the head of the Minister of Finance, but the whole Tory press of this country, so far as I have read, are in like agreement. Not only that, but the hon. member for Fort William (Mr. Manion) went out of his way last night to throw bouquets at the Minister of Finance for the provisions in his budget. I fear there must be something wrong with that budget. I fear that there is something in the way of criticism that is needed from this side of the House, and I am going to examine for a short time some provisions in that budget, and give some reasons why the Tories should praise it.

[Mr. Glen.]

In the first place, the income tax has been reduced. The unfortunate thing is that we have had no justification given to us from either side of the House for that particular reduction, but I am hopeful that before this debate closes we shall hear from this side of the House the reason why there was a reduction in the income tax at this particular juncture.

Miss MACPHAIL: Because the people who paid it put up a holler—that is the reason.

Mr. GLEN: My hon. friend says, "because the people who paid it put up a holler," and I am inclined to agree with her. I think those who wish reductions must necessarily make hollers, and it is an unfortunate state of affairs in our politics that in order to get what probably belongs to you you have to raise a holler, as it is called. If I read history aright, I know this, that when income tax was imposed in any country it was imposed at its inception as an emergency measure. But I also know this, that wherever an income tax has been imposed upon a country, at no time in the history of that country, so far as I know, has the tax been entirely abolished. At times it is reduced, as the circumstances of the country warrant, but there is no country that I know of in the world to-day where the income tax has been abolished in its entirety after having once been put upon the statute book. If that is so, Mr. Speaker, then why the reduction? Does this embody a new principle in Canada? Is it the intention of the government that this temporary decrease in the income tax is but the prelude to its abolition? I know that, from our point of view, the imposition of an income tax was one of the causes which made possible the adoption of the free trade movement in the old country, and I know that the immediate loss of revenue resulting from its adoption, was made up by the income tax. But the principle most commonly enunciated at the time when the income tax was imposed on this country was that it was not only a war measure, but that it was a tax that fell upon those who had the greatest ability to pay, and that principle is commonly accepted to-day, that the income tax shall be placed upon those who have the ability to pay.

A good deal of complaint has been made that the farmers in the west are not paying income tax. It is said that they are not paying income tax like the people in the cities and in the east. Well, Mr. Speaker, there is a mighty good reason why the farmers in the west are not paying income tax, and that reason is that they never have incomes sufficient to make them liable under the act.

Mr. COTNAM: What about the $500,000,000 they receive for their wheat crop?

Mr. GLEN: The levying of taxation by direct methods is a principle which we must support, and any attempt that is made to reduce the income tax, which is a direct method of taxation, must be viewed with a good deal of suspicion if no sufficient reason is given for its reduction. I submit, Mr. Speaker, that the levying of taxation by this direct method, and in accordance with the ability of the person to pay, is essential if the burden of the national expenditure is to be distributed equally and justly among all our taxpayers. I think the income tax should be maintained at its former level, and the surplus used, not to reduce the income tax, but to lessen the burden of taxation. The reduction of taxation, as it becomes possible, should take place by reducing and removing those protective duties on imports which increase the cost of living and the cost of production.

Now, Mr. Speaker, last evening the Minister of Trade and Commerce gave an illustration of the reduction of the income tax in my own province of Manitoba. He gave that illustration as a trend of the time. But he omitted to make this statement also, that in Manitoba Premier Bracken has introduced a cut in the income tax to the extent of twenty per cent, but he has also introduced a cut of 37½ per cent in the municipal commissioner's levy. There is no tax in the province of Manitoba that can be compared with the customs tariff tax of the Dominion, except the municipal commissioner's levy. It is a form of indirect taxation and is analogous to our customs duty. They made a cut in the income tax, but cut the indirect tax by 37½ per cent. The amendment of the hon. member for Macleod (Mr. Coote) states that the budget shows a further departure from the principle of direct and visible taxation. As I have already said, no evidence has been submitted to justify a departure from that principle, and we need further light upon it. I would ask: Is it the intention of the government to declare their policy by this reduction, and is this the first step towards the abolition of the income tax? We should be informed as to what the policy is. I know that the Minister of Finance when on the hustings during the election, took the point of view that the income tax and sales tax, which he considered nuisance taxes, should be reduced. He has given this view sanction in his budget to-day and has implemented his promise.

Allied with and forming part of the amendment is also the large question of the tariff, and it seems necessary for those on this side of the House to state in absolute terms the position of the group of which I am a member. I know of no departure from the principles which have been so well expressed by so many members of this group, not only in this House but in the country during the last election. If during the last election there was one issue that was before the people of western Canada it was the question of lower tariff. That is the paramount issue so far as western Canada is concerned. There might have been other issues having a particular appeal in different localities. Of these I do not speak, but I say that of all the issues raised during the election that of the lowering of the tariff was the paramount issue so far as western Canada is concerned. In particular the Robb budget of 1926 was discussed, analysed and approved ninety-nine per cent in western Canada, for, with the exception of one lone member from western Canada, they returned to this House members supporting lower tariffs and in particular the principles enunciated in the budget of the present Minister of Finance of 1926. In connection with lower tariffs I may say that we have always been told that there can be no prosperity in a country unless under a protectionist government, and if we were to believe the whispers of death that circulated throughout the whole of this Dominion some time ago, we would be led to believe that unless a protectionist Conservative government were returned to power the country would be in a bad way and that its condition would undoubtedly become worse. I should like to point out in passing that from my point of view, we can have just as prosperous conditions as were ever attained under a protectionist government. I will go further and say that we can have much better and more equitable conditions under low tariff than under high protection. The proposition that we must have a high tariff is now I think an exploded fallacy, because under the low tariff government—and I am assuming the present government is a low tariff government—we have obtained a considerable degree of prosperity. It has been stated on many occasions throughout Canada by different people that the low tariff is not the cause of the great prosperity. Well, I am not so foolish as to say that these things can only happen under a low tariff government, but I do say that the condition of the common people is much better, more equitable and the country is a better one to live in under a low tariff government than under a high tariff government. I have no reason to doubt that under the regime of the present government the conditions in the Dominion of Canada will be better for the common people than they have been in the past.

I would remind this House that the conditions in western Canada have not materially changed since 1921, that period of economic depression, and we still have depression in the west. I will go further and say that we have a tremendous economic uncertainty so far as the farming industry is concerned. People speak of the stability of government and say that we can have no stability of government except by the retention of tariff duties. Is there to be no stability of the farming industry as well? Can we not have stability of government as far as farming is concerned? We do not hear that cry very often. Perhaps my hon. friend from Southeast Grey (Miss Macphail) will say it is because we have not raised a big enough holler. I know the conditions in the west are not what one would desire. The hon. member for West Calgary speaks of the amazing crops that we have had in the west recently. I speak whereof I know when I say that men in my own constituency are not able to pay their way, and generally speaking, most of the farmers in my constituency which I think is typical of most of those of western Canada, are finding difficulty in paying their way, and that despite the amazing crops of the past three years.

I wish to say a word with reference to the opinion expressed by the people in the last election. The people of western Canada, by their vote and the return of the members whom they sent to Ottawa, have shown where they stand. They have not altered one iota from the stand which they took years ago. They believe that protection is the embodiment of despotic government. They believe that the supreme condemnation of the tariff lies in this, that while it draws most of the taxes of the country from the poor, at the same time, it imposes upon the poor the heaviest burden of living, and it builds up the fortunes of the rich and fails to tax the rich even as much as the poor in the numerous cases where the poor have larger families than the rich. They still believe, as was expressed by the hon. member who represented Brome Mr. McMaster, in a former parliament, that free trade is the right of every man and every nation to buy in the cheapest and sell in the dearest market without the law intervening to help any given set of producers. They still believe that the building of tariff walls to keep out goods is bound to react disastrously on the consumers and purchasers. They know that their product represents the largest item of our exports and that they compete in the open markets of the world and buy in the protected. They have experienced in the west and have derived benefits from every reduction of tariff that has taken place and they cannot believe that further reductions are likely to be detrimental to Canadian industries. They cannot understand why, if the binder twine industry which produces a commodity that is essential to the farmers can compete successfully against outsiders, other industries cannot do likewise. They believe that, first, there should be a removal of the duties on foodstuffs and on implements of production, to be accompanied by the abolition of the duties on iron and steel—the raw materials of the manufacture of these implements and of many other of our products. They believe also in the abolition of the duties on boots and shoes and on articles of cotton and woollen clothing, and that this should be accompanied by the removal of the duties on the raw materials entering into their production. They believe that all duties should be removed from coal.

Now, Mr. Speaker, the people of western Canada cannot understand why the protectionists say that our industries cannot compete with the highly paid and highly skilled labour of the United States; and then the converse, that they are unable to compete against the low paid labour of Europe and depreciated currency. The protectionists cannot have it both ways, and the people of western Canada do not understand why these arguments, so directly contrary to each other, should continue to be advanced by our protectionist friends. Let me read something that was written by an acknowledged authority sixty years ago, but which is just as opposite today. I am quoting from John Stuart Mills' Political Economy:

> The only case in which a mere principle of political economy protecting duties can be defensible is when they are imposed "temporarily" (especially in a young and rising nation) in hope of naturalising a foreign industry in itself perfectly suitable to the circumstances of the country. The superiority of one country over another in a branch of production often arises only from having begun it sooner. There may be no inherent advantage on one part or disadvantage on the other but only a present superiority of acquired skill and experience. A country which has this skill and experience yet to acquire may in other respects be better adapted to the production than those which were earlier in the field.
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> But it cannot be expected that individuals should at their own risk or rather to their certain loss introduce a new manufacture and bear the burden of carrying it on until the producers have been educated up to the level of those with whom the processes are traditional. A protecting duty continued for a reasonable time will sometimes be the least inconvenient mode in which a nation can tax itself for the support of such an experiment. But the protection should be confined to cases in which there is good ground of assurance

that the industry which it fosters will after a time be able to dispense with it. Nor should the domestic producers ever be allowed to expect that it will be continued to them beyond the time necessary for a fair trial of what they are capable of accomplishing.

We in the west know that the estimated agricultural wealth of this country is roughly seven and a half billion dollars. We also know that the capital invested in Canadian manufactures in 1923 was roughly a little over three and a third billion dollars. We cannot understand why equal terms cannot be given to those engaged in agriculture in which there is invested double the capital invested in our factories.

When we see the tremendous expenditures on public works in the east, so far in excess of similar expenditures in the west, we believe, rightly or wrongly, that we are being discriminated against. Take, for example, the following list, which was supplied to me a few days ago, of some of our great undertakings:

New Welland ship canal.. ..	$48,797,000
Trent canal..	2,733,000
Victoria dry dock..	9,000,000
Quebec harbour..	2,400,000
Montreal harbour..	11,110,000
Vancouver harbour..	9,595,000
Toronto harbour..	6,972,000
St. John harbour..	6,712,000
St. Lawrence ship canal.. ..	69,794,000

These expenditures were made between 1918 and 1925. Rightly or wrongly the people of the west feel that they are being discriminated against in some of these matters. And when they see the small estimate of $5,000,000 odd asked for the Hudson Bay railway, and hear criticism of the most adverse character coming from hon. members opposite and from the Conservative press with respect to this proposed expenditure, I think they have good reason to feel that they are being discriminated against. We believe that the Hudson Bay railway is necessary as an outlet for the products of the west, and the whole of the west resents the criticism which is being directed against the expenditure for the completion of that railway. We have to face that adverse criticism, but, Mr. Speaker, I think there is not the slightest doubt that we will raise a sufficient holler, if that is necessary, for the completion of the Hudson Bay railway, because we believe it is essential to the well-being of the west.

Now, the people of western Canada think that they are being discriminated against in the matter of freight rates, and it seems to me that they have good reason for so thinking. Only the other day at the hearing of the freight rates application before the railway commission one illuminating fact was brought out in cross-examination—that the system of railways in the province of Manitoba gathered in the largest amount of revenue at the least expenditure of money of any other part of the system in the Dominion. If, then, the province of Manitoba and the other two prairie provinces are giving the railways the largest returns at the least cost of operation, is it any wonder that they make a demand for lower freight rates in order that their cost of production may be reduced? Can you wonder if the farmers of the west are asking for some relief? Can you wonder that they are dissatisfied, and that their dissatisfaction culminated in the birth of the Progressive party, which was formed some time ago? Do hon. gentlemen in the east believe for one moment that the spirit which animated that movement is dead? Let me say to the House that that spirit is just as much alive to-day as it ever was. It may be more or less passive at the present moment, but that quiescence, Mr. Speaker, is accounted for solely by the fact that they believe the fruition of their hopes is likely to be accomplished under a Liberal government, and that in the legislation to be presented to this House the government will give expression to those hopes of the Progressive party.

But that brings me to this viewpoint, and I wish the Minister of Finance to note carefully what I am about to say. The main issue raised by the amendment is the absence from the budget of such reductions in the tariff as would lessen the cost of living and of primary production in Canada. Colour is undoubtedly lent to the view that this omission marks the inauguration of a new policy of the government by the application of the large surplus of revenue to the reduction of the sales tax and the income tax in preference to the reduction of protective duties. The Liberal-Progressive members of this House are pledged to the reduction of the tariff in order to cheapen living and enable primary production to be profitably pursued. They are pledged to the maintenance of a reasonable measure of direct taxation, based on ability to pay, through the medium of the income tax. They cannot but regard the apparent reversal of this dual policy in the budget of 1927 with misgivings and dissatisfaction. The reasons given by the government for the omission from the budget of a further instalment of tariff reduction may have, however, a sound basis in fact. The tariff board is at work. It is compiling information on many of the most important, and incidentally the most highly protected, Canadian industries. With the complete information at its command the government will be in a position to pursue the policy of tariff reduction. But, in view of the circumstances attending our

election, we must be absolutely confident that this pursuit is the intention and policy of the government. If we may assume with confidence that the omissions from the budget are temporary and accidental and that future budgets will both reduce the tariff and maintain the income tax as a permanent fiscal instrument we shall feel fully justified in voting with the government. If, on the contrary, we must assume that the government is inaugurating a new policy looking to the abolition of the income tax and making only such changes in the tariff as are dictated by expediency and not by low tariff principles, we should be compelled to vote for the amendment. Which of these courses we are to pursue can be decided in only one way—we must have from the government a categorical and incontestable statement of its position in regard to future tariff reductions. Refusal to give such a statement must inevitably be construed as an admission by the government of a desire to depart from the policy of tariff reduction.

Mr. C. H. DICKIE (Nanaimo): I do not intend to detain the House for any considerable length of time, because there is little that could be said just now which would accomplish much. Good crops in the country, together with the expansion of our wood and pulp industry, as well as of our mineral industry, have made the task of our Minister of Finance (Mr. Robb) a fairly easy one at this juncture. However, there are some matters I might touch upon, matters of omission rather than of commission. It is to be noticed that the minister did not touch upon the extent of our adverse trade with the United States. Last year we bought $95,000,000 worth of merchandise and produce from that country more than we did the year before, representing an advance of nearly 100 per cent. We have an adverse balance of trade with the American nation of $196,000,000, whereas, through preferential agreements in our dealings with the British Empire, we have very favourable trade relations with our own people and a favourable trade balance. A great deal of our money for very many years has gone to enhance the prosperity and the prestige of our American neighbour. When are we going to stop this thing? Just imagine, Mr. Speaker, a nation of nine million sending $196,000,000 more to the United States than they send to us, every year! We cannot endure such a condition if we are to prosper.

Owing to good crops and other favourable conditions our industrial situation has not been bad. Things are not really bad in Canada at the present time. At the same time I consider that Canada with its immense resources and good crops, as well as for other reasons, should be to-day on the top of a wave of prosperity. Instead, we are simply making a little progress here and receding there. We have been told that the factories are running full time in Canada; but that is true only in part, for I know that prosperity does not reign in the west. Forty per cent of our sawmills are shut down in British Columbia, and others are likely to follow suit; still we hear it said that there is a great wave of prosperity sweeping over the country. Canada, under proper direction, could be made one of the greatest countries on the face of the globe. What we want is good, sane government, and in this respect I will not confine my criticism either to the present or to past governments. Indeed, Sir, I would rather that my criticism should be constructive than that it should take the form of faultfinding. I want to impress upon the government and the House, however, that what we are doing to-day is simply sowing the wind in order to reap the whirlwind. The bulk of our exports to the United States last year consisted of forest products. We shipped to that country over $240,000,000 of wood products and paper and these exports, be it remembered, are taken from a vanishing asset. The forests will not last forever. Let us remember that. I have seen the forests destroyed in the great state of Michigan, and I have witnessed the same thing in the state of Wisconsin. I remember hearing leading economists in the United States pleading with the people to conserve their forests, but the people there took the very attitude that our own people are assuming. Oh, they said, the forests will grow again. Now, to say anything of that kind is the height of absurdity. It is idle to say that the forests will grow again in the lifetime of your grandchildren or of mine. Let anyone take a trip up the Gatineau or the Ottawa for a few hundred miles and he will see, if he examines the forests, how long it will take for a new growth to replace the trees that are once cut down. I have seen the forests of the states of Michigan and Wisconsin simply wiped out, and the springs dried up, so that what was once beautiful country became a windswept, fire-stricken waste. The result is that the people of those states are obliged to-day to import lumber from British Columbia.

We cannot prevent the cutting of timber, but we can certainly do more than we have been doing in the way of reafforestation. People will tell you, when they see some green foliage on the tops of mountains, that there you have a forest in embryo, a forest in the making. But examine it and what do

you find? You find a few scattered trees here and there—Christmas trees, we call them in the west—which will never make a forest, and from which it would be impossible to produce either sawlogs or pulpwood of commercial value. The only method of growing a great forest is by means of what is termed in forestry parlance the thicket growth. The thicket must be so thick that the sun will not penetrate to the foot of the trees. With that condition, in about twenty or thirty years' time you will have a tree thirty feet high. The sun has not been able to penetrate towards the bottom, so that limbs do not start near the base of the tree. After the thicket has reached that height, if there has been no fire—if a fire does once start it sweeps through the growth like a wild horse—such a tree will outstrip its fellows and rear its head above the rest, spreading out what is known as a roof canopy. The trees around it, deprived of the life-giving effect of the sun's rays, will of course die. When therefore you reflect that it will take at least seventy-five years to raise a forest of trees one foot through under the best conditions, you will see what little hope there is for the restoration of our forests within any reasonable period if once they are destroyed. In Germany they see that the annual increase keeps up with the annual cut of the forests, but their forests are only small in extent as compared to ours. In Sweden and in Finland they do the same. We are cutting down our forests without any regard to the future; the greed of the people engaged in the lumber business is greater than their patriotism. I have preached this doctrine on the floor of the House for five years. I have never accomplished anything but it is a pleasure for me to pursue this campaign and follow it along the lines which I know posterity will recognize as being good common sense even if the people of this age do not. In Germany the forests are being propagated, and they are keeping pace with the decrease being brought about by cutting. I could take a number of what are known as the "high lead" outfits from British Columbia, with five or six hundred of our British Columbia lumbermen, and I could go through the forests of Germany as reapers would go through a field of grain. But if we attempted for one day to adopt such methods as are being adopted in British Columbia, those responsible would be stood up against the wall at sunrise and shot—that is those responsible for cutting down our forests without regard to the people who are to come after.

Last year we sent out of British Columbia—exported out of the country—227,000,000 feet of logs. Those logs were cut in our forests and sent over to sawmills in the United States, and to Japan, and our people follow them over there just as surely as a chip will follow the receding tide. They went over to build up lumber towns on the American side. Now, do you realize, Mr. Speaker, what 227,000,000 feet of lumber means? It means—based on the average growth of timber here in the east, which I think would be about 10,000 feet to the acre—that the timber grown on 22,700 acres was cut that year and exported to the American side. That 227,000,000 feet practically approximates the total cut of saw logs in the province of New Brunswick. I am not quite sure but I know that the New Brunswick cut does not exceed 300,000,000 feet. We are preaching against that in British Columbia, but can do nothing. A great many of our forests there are owned or controlled by American interests and they are shipping their logs across the line. We want these logs manufactured in the country. We think there is too great haste, too reckless haste, in denuding our lands of their forests. When our forest growth has been exhausted, as the growth was exhausted in Michigan and Wisconsin, we have a great source of revenue cut off. Were it not for our exports of pulp, paper and saw logs to the United States to-day our adverse balance of trade would be so enormous that we would fear we were on the verge of bankruptcy. We do a wonderful business with our neighbours to the south in wood products, pulp and paper; but last year, Mr. Speaker, we sent again, as we have done for years, $14,000,000 worth of pulpwood across the line to be put through the pulp and paper manufacturing plants on the other side. That pulpwood was manufactured into at least seventy or seventy-five million dollars worth of paper. Thousands of Canadians, many of them French Canadians, cross the line to find employment in these pulp and paper mills, and we are denuding our forests to supply our American neighbours with the pulpwood to keep their mills going, receiving in return a measly fourteen million dollars. We could take every rancher and every farmer engaged in exporting pulpwood from the province of Quebec or the province of New Brunswick to-day and keep them in the Chateau Laurier at greater advantage to this country than allow them to continue to ship out this pulpwood. But we know there will be an end to it some day. As was reported by the pulpwood commission which toured the country, we know that in some parts of Canada the stocks of pulpwood will not last for more than twenty-five years. I know British Columbia fairly well, I know Van-

couver island very well, and I can assure hon. members that in two decades from now the fir forests will have absolutely disappeared from Vancouver island which at one time possessed one of the finest stands of forest trees in the world.

As I said before, the greed of some people exceeds their patriotism, and we continue day by day cutting down those forests and in many instances shipping logs across to the United States to increase the prosperity of that country. I know of no reason why this government should not say that after the first of January, 1928, we will put an export tax of $2.50 or $5 a cord on pulpwood going out of the country. I know no reason why they should not put the same export tax on saw logs. But give those people who have their money embarked in this enterprise in Canada a chance to rearrange conditions so that they will not suffer loss; we should not act hastily. Even with that assurance it would be a good thing, and those of us who love the forests and would like to see them conserved would welcome it.

There are other points in respect to our importations from the United States to which I wish to refer. Last year we imported from that country $307,000,000 of what are known as mineral products. That includes iron and its products. It includes non-ferrous metals, that is metals without iron. It includes also non-metallic minerals. We bought no less than $307,000,000 worth from that country. They bought from us only $83,000,000. Note the tremendous adverse balance in that connection. I have heard it said, and it has been stated even across the floor of the House during the present session, that we import a large amount of raw material. What amount of those materials do we import? We imported last year fifty or sixty million dollars worth of coal; we imported $28,000,000 worth of cotton; we imported a little wool. These are the principal imports of raw material; nevertheless we bought $666,000,000 worth of products from the United States.

It is amusing to hear the remarks of gentlemen, such as the hon. member who has just resumed his seat, with respect to free trade. I would like to be as sure of anything as the hon. gentleman in question appears to be of everything with respect to the trade policies of the world. Where is there a nation of any consequence in the world that believes in free trade to-day? It is an absolutely exploded idea. We in Canada, perhaps more than the people of any other country require a protective tariff. We require a protective tariff like the one that has made the United States great. That protective tariff in the United States has drained Canada of its best men. Go into New York, Philadelphia, or Washington. Take a walk through the streets of these cities and see the calibre of the men you meet there. Go down through the streets of this delightful city of Ottawa and see the superior type of men compared to the type you meet in the cities enumerated. No better men in the world were ever bred than are bred in Canada in this climate of ours from a sturdy race of ancestors. The manner in which they have been leaving our country as long as I can remember, is a crime, a sin. In company with others many years ago I was forced to leave this country in order to make a living in the United States. Some of the best men I have ever known came from the county of Oxford, men reared on oatmeal and codfish, and educated on the Toronto Globe. Later on in life in the state of Michigan I met men from this Ottawa valley, men from around the Ottawa river, men from around the Madawaska—wherever it is; I do not know but I remember the name—men from the county of Glengarry; men from the province of Quebec, cousins of Joe Monferrand. I could pick out from their ranks—wonderful men some of them, others you might term brutal—two hundred and fifty who could scale the walls of Troy before breakfast, throw Paris and Hector into the ash can, and send Helen back to her folks on the farm. Then you could throw a few drinks into them and you would have a fight worth while. Those are the men that left this country.

As I say, some of them may have been abysmal brutes, but what better foundation on which to build a great nation? Why should we let them go as they did? Colorado, northern California, are filled with them. You find them in Arizona, Texas, Mexico. Wherever you go you find Canadians, fine stalwart fellows, men who, as I say, were brought up on the farm and had perhaps a little religious education, men who were taught in the country or village schools that honesty was the best policy. I remember many years ago when the best recommendation that any man could have in California was that he was a Canadian. If he was a Canadian they thought he was an honest man. He was resourceful, honest and faithful, and his services were valued. If you cross over from British Columbia into those great cities of Seattle and Tacoma you will find many, perhaps the greater proportion, of positions of trust held by that class of Canadian. We see them go day after day out of this country. Why should we allow this? I hate to copy any-

body; but why should we not do as the people of the United States are doing? They have made their nation great simply by protecting their industrial population.

What did they do last year? Let me give the House one little instance. In 1925, we sent $1,400,000 worth of butter across the line to the United States side. The United States farmers immediately said: That is too much butter to be imported; we want greater protection. The United States government imposed an additional duty of four cents a pound on butter so that if butter went into the United States from Canada, it had to pay a duty of twelve cents a pound. Last year our export of butter to the United States amounted to only $101,000 worth, so that we lost the sale of $1,300,000 worth of butter to that country. That shows how they protect their agricultural interests. Our good friends —and good men they are—from the prairies, that country of wide horizons and sometimes, I think, of narrow visions, although I do not know why, want free trade. Had they any other idea than just their prosperity for the moment, free trade for them alone would no doubt be beneficial. But I know they will appreciate the fact that they are Canadians and I know they want to see this a great country. There is no reason why even if these gentlemen are penalized because of our protective tariff, we cannot repay them in some other way by subventions or by lowering railway rates, because I should not like to see our protective tariff bear unfairly on any part of this great Dominion. But we must do something to stem this tide of Canadian people going across to the United States. The people of the United States are laughing at us. From time back as far as I can remember they came here; they took our money; they would dump their goods on us. In the early days when the period of deflation occurred in trade relations they practically gave us their wagons, agricultural implements and things of that kind, and it was impossible to maintain manufacturing establishments in Canada. That was before the wise policies of Sir John A. Macdonald were put into operation.

I remember when there was practically no money in that part of Ontario in which I lived. As an example to show how money was valued then, I remember a man telling this story, although I will not vouch for the truth of it. He said that he and a number of his friends were standing on the bank of the mill-pond idly skipping stones across the water, and that some man came along who wanted to show off. Having pulled a fifty cent piece out of his pocket—he must have come from abroad or he would not have had it—he skipped it across the water and it went over to the deep part of the pond and sank. He said that they were diving for that fifty cent piece until the ice came on the pond. He said that he went to California, and on his return ten years afterwards there were old men with whiskers still diving for that fifty cent piece. I do not know why he said it, but he concluded by saying that it was a Scotch community.

I think I have pretty well run the gamut of what I intended to say. I do not know whether I have accomplished anything or not; but now that the tide has receded to its very lowest ebb, when there is no reduction in the tariff this year, I hope the tide will return; that waves of prosperity will return with it, and that we shall have from the government a political policy that will protect, a policy such as protects the furniture trade of Canada and others to-day. That is all we want. Let us build up an industrial Canada. Let us make of this a country in which our boys and girls who are educated on the farm will have some place to go. Last year a hundred thousand people left this country to go across to the United States and at least two thousand more I know left British Columbia without the immigration authorities having any knowledge of their going. It is no trouble at all for Canadians to step across the line and become residents of the United States. I know the quota lists for intending emigrants to the United States, men who happen to be born in the old country, are filled now. If a foreign born person goes to an immigration office to make application for entrance to the United States they will put his name on a quota list and it will be eighteen months before he is allowed to go. But there are men in this country who are smuggling foreigners into the United States. Any man resourceful as Canadians are—and some of them are a little acquainted with the smuggling business—can get across the line at any time.

As I say, a hundred thousand of our good people went to the United States last year and we want to make some place for them in Canada. Why can this great Liberal government not accomplish this? Why can it not live up to the traditions of Sir Wilfrid Laurier who in his time lived up to the traditions of Sir John A. Macdonald? I would support with pleasure any government that would enforce a fiscal policy that would keep those good people from Quebec, Ontario, or further west, at home instead of having them make of the United States a great nation. They have drifted away from their homes,

from their association, from the church in which they were brought up, and they are making good citizens in the United States. As was pointed out so well yesterday by the hon. member for Fort William (Mr. Manion), we have in this country potentialities, possibilities, that would justify the expectation that we could make this a country with a population of thirty millions. It is the opinion of leading geologists that in the Laurentian plateau that the hon. member so well described we will have the greatest gold mines in the world.

We still have forests. Let us conserve them; let us spend more money on them; let us see that new forests are springing up although, at the present rate at which logging is being done they will not spring up in time to replace the old ones. We can, however, do something in that direction. Let us say to ourselves that we are going to be greater Canadians than we have been in the past. We want a greater Canadian spirit. I can quite understand that people coming here from the old land, do not perhaps have the same love of this country as those of us who were born here. We want to make Canada a great country and we can do it. All that is necessary is that we have sane, sound legislation, legislation along the line that is being adopted throughout the civilized world to-day. Where is there a nation in the world putting into practice the policy that was enunciated to us just before I started speaking by that eloquent and no doubt lovable gentleman, the hon. member for Marquette (Mr. Glen). No nation can succeed as a free trade nation when it is alongside a country that is so highly protected as is the United States.

Mr. B. W. FANSHER (East Lambton): Mr. Speaker, in common with all members of the House I rejoice with the Minister of Finance (Mr. Robb) that he has been able to present to the House a financial statement which provides for a reduction in the national debt of some $31,000,000. I might add that I rejoice with the citizens of this country that in spite of the somewhat hectic session that was held in this House last year, the producers of this country, while the legislators were concerned perhaps more with party matters, were so intent on making Canada prosperous that the Minister of Finance is able to present the splendid financial statement he gave to us the other day.

The hon. Minister of Finance was very modest in claiming but little credit for governmental activity in producing a balance on the right side of the ledger. He attributed, as is nearly always the case, a great part of the credit to the splendid crops we have had in this Dominion. He also said that there was more of a buoyant spirit evident throughout Canada to-day than there had been at any time previous. I wish to develop that thought a little.

I believe that to-day in Canada there is more of a buoyant spirit, more of a determination on the part of our citizens to see that our heritage as citizens shall be guarded, rather than our heritage as partisans, and I am pleased that that is true. It has been quite evident since this House assembled that there is a desire on the part of the members to assist in a constructive way the legislation that is brought down. It has been our privilege to listen to the financial critic of the official opposition, and I have never before in this House heard criticism of such a constructive nature as was offered by the hon. member for West Calgary (Mr. Bennett). I congratulate him upon his speech the other day.

But there are other contributing factors to the present prosperity of this Dominion which have not been touched upon at all as yet since this debate began. It is true that the crop of 1925 is reflected in the receipts and revenues of this country this year. It is true that when more wealth is produced, the artisans, tradesmen, labourers and farmers generally throughout this country have a larger purchasing power, which is reflected in the revenues of this country, because our taxation is based upon the expenditures of the people; in other words, our taxes are applied nearly every time that we make a purchase, and if the purchasing power of the individual citizen is increased, that is reflected in the country's revenues.

One very great factor in the increased wealth of this country, in my opinion, has been the organization and development of the wheat pool in western Canada. To that perhaps more than to anything else has been due the increased purchasing power of the farmers of Canada. We produce in this country, as was stated by the Minister of Trade and Commerce (Mr. Malcolm) the great majority of our exports from the soil, and wheat is the one commodity above all others which is exported in great volume. By organization the farmers of western Canada have been able to market in an orderly manner the bulk of the wheat crop of that vast wheat-producing area. In the crop year just ended, the amount marketed by the wheat pool of western Canada was over 52 per cent of the entire crop—over 187,000,000 bushels. By controlling the marketing of that vast quantity of grain, and

carrying the world's price back to the producer, less only the handling charges and transportation costs, the price of wheat throughout the year to the farmers has been increased to a higher level. If we look at the report of the Minister of Trade and Commerce for the average price of wheat to the farmer for the last five years, we find these figures:

Year	Average Price
1921	.81c.
1922	.85c.
1923	.67c.
1924 (wheat pool in operation)	1.22
1925	1.12

The crop of 1926 has not yet been entirely sold, and we cannot tell yet what the price will be, but the operation of the wheat pool, I say, has done more to add to the purchasing power of the citizens of this country than anything that has been attempted before in the history of this or any other country, and we have immediateley reflected in the financial statement as presented to the House this year the result of such organization and of the adoption of such a marketing system.

Not only has the price of wheat been raised to the grower, but wheat being the stable commodity, the staff of life, its increased price has had a beneficial influence on all other grains to a greater or less extent. Not only has the wheat pool had an influence on the price of wheat in western Canada, but it has maintained the price of wheat in eastern Canada, in sympathy with the price in the west, to a level in the fall of the year, at harvest time, that we never reached before in the history of the province of Ontario except in war years.

Analysing the balance of trade for the last few years, we find that it has a direct relation to the production of wheat in the western provinces. If the production of wheat in the western provinces is large and the return from that crop to the farmer is good, we find that that is reflected in the following year in the financial statement that is brought down to this House. That is the case this year. The balance of trade for the year 1925-26 was $402,000,000 in our favour, and that balance of trade bears a direct ratio to the splendid crop and the price obtained for that crop in western Canada. While I am from the province of Ontario in eastern Canada, I cannot help but recognize the great benefit that this organization has been, not only to the farmers of this Canada of ours, but to all business in Canada east and west.

I wish to come more directly to the budget and the items contained therein; but before dealing with this year's budget I wish to make a few remarks upon the budget as presented last year. In that budget we had taxation reduction in two departments of collection, the income tax and the customs tariff tax. Outside of that no material reductions were made, and I wish to trace the effect of these reductions. The reduction that was made in the income tax last year produced a deficit, or a reduction in the revenue from that source, of $8,671,000; in other words, it had a direct adverse bearing upon the amount of taxes gathered from that source. Quite the reverse was the case in connection with the customs tariff. Although we had substantial reductions on some items, especially on automobiles and on lighting plants, the apparatus to generate electricity, and on a large number of other articles, yet our income from that source was increased $14,000,000, and I was quite pleased yesterday when the hon. Minister of Railways (Mr. Dunning), commenting upon a speech of an hon. member in this House, made the observation that tariff reduction always acted that way, that it always brought about an increase in revenue, and I was somewhat at a loss to know why the policy of reduction in the customs tariff was not followed this year rather than the policy of reduction of direct taxation. Reduction of income tax, as I said before, resulted in decreased revenue to the extent of nearly $9,000,000. Reductions in the customs tariff, although substantial in a number of instances, did not bring about decreased revenue; on the contrary, we have an increased revenue of $14,000,000. If the Minister of Finance was viewing this situation purely from the standpoint of the treasury and from the lesson which last year's budget teaches, surely we should have expected this session further reductions in the customs tariff, and, therefore, increases in the revenue next year. Quite the contrary, as hon. members well know, has been the course pursued, and that is why we in this corner of the House take exception to the budget as presented this year. I am reminded of a passage in Scripture which says:

> There is that scattereth, and yet increaseth; and there is that withholdeth more than is meet, but it tendeth to poverty.

And perhaps that may be so in this case. I was quite struck with the remarks of the hon. member who just addressed this House in his plea for higher tariff, for protection in this country, and I could not help observing that in the last fifty years our average tariff has never been below twenty per cent, and that it stands at over twenty-three per cent to-day. I got these figures from the annual report of the trade of Canada for the fiscal

year ending March 31, 1925. Anybody can verify them. They are to be found on page 10, where the calculations are made. Yet under these circumstances the hon. gentleman who has just addressed the House (Mr. Dickie) says we have lost hundreds and thousands of our Canadians to the great republic to the south. It might be well for us to look about for some other reason why our Canadians go to the south, rather than say that the lack of tariff protection drives them away. Surely an average of twenty per cent assistance to industry, one-fifth, is large enough inducement, from the conservative viewpoint, to retain the citizens of this country within Canada. Should we not look for another reason? In my opinion the reason why hundreds and thousands are leaving Canada is that they are taxed out. A very good example of that was placed before me a few years ago, just before I came to this House, in conversation with a citizen of this country who had spent four years at the war. He said, "I hope the members of this parliament will try to reduce the customs tariff. You are taxing us out of the country. I returned from the war and got a job as a traveller. I found that travelling conditions were different from what they were before the war, and I had to have a car." This was before the reduction of the duty on motor cars was made. He continued, "A car costs me a hundred dollars more in Canada than had I decided to travel in the state of Michigan," which is just across the river from my county. "I had to furnish my office with typewriters and other equipment, and I found I had to pay nineteen dollars and some cents more than if I had decided to start travelling just across the river in the state of Michigan." He further added, "I am just as good a Canadian as ever stepped in shoe leather. I spent four years at the war, but you are taxing me out of this country." Now I want to place before the Minister of Finance, before the government and before the members of the official opposition this thought, that they may be induced to look at the real reason why the citizens of this country are leaving and going to the United States. It is true we are trying to check this exodus by an immigration policy which brings in settlers from Europe to go upon the land not only in eastern Canada but in western Canada. But to my mind as long as economic conditions are not what they should be in this country our immigration policy will not bring forth much fruit. The machine, so to speak, may work all right to bring the settler into the country, but unless we provide him the opportunity to gain a livelihood after he arrives here, that is, to make a profit on his farming operations, our immigration policy is not functioning properly. I might give a practical illustration in this regard, I think it has been given before. If the knotter on a farmer's binder is not tying the sheaves regularly he does not attempt to correct the fault by putting a new driver on the machine and telling him to go ahead. He corrects the fault at its source—he puts the tying apparatus in proper order. I want to say to the government and to the Minister of Immigration that I do not think our system of immigration can be perfected simply by placing a new driver in the seat—even if he does come from the Progressive party. The trouble lies deeper. We must make the basis of agriculture fundamentally and economically sound. We must so shape conditions in this country that immigrants can make a living on the land, otherwise our immigration policy is largely in vain.

There are a few other items in the budget with which I wish to deal. The Minister of Finance has announced that by the reduction in the stamp tax on cheques, bills and notes, 70 per cent of the nuisance taxes will be removed. I agree with him that 70 per cent of the revenue will be lost; but 100 per cent of the niusance will remain. The nuisance is still there; every cheque over ten dollars, every note, every bill, must still bear a stamp. It is no more trouble to lick a 20-cent stamp than to lick a 2-cent stamp and place it on a cheque. The result of the reduction of the stamp tax on cheques is simply to throw away that much revenue without removing the nuisance. Very largely the only fellow who will benefit by the reduction is he who can write a $10,000 cheque. Hereafter he will pay no more than the man who writes a $10 or $15 cheque—the workingman. I cannot see that any equality of taxation is brought about by this reduction. Surely some persons other than our labouring men got the ear of the Finance minister before he made this reduction.

The sales tax is a form of direct taxation, and is a tax which I do not object to at all. It costs the least to levy of perhaps any tax outside the income tax. The reduction of 20 per cent in the sales tax will afford some small relief to the labourer and the commonplace citizen, but outside of that I do not see that this budget will afford much relief to the ordinary Canadian. To my mind it gives relief to those of our citizens who are in the best position to pay. I regret this reduction because it comes at a time when we can ill afford to reduce this form of direct taxation.

Now, Mr. Speaker, I am criticising the budget because I am a strong believer in tariff reduction. I believe if, instead of this $27,000,000 relief which the Minister of Finance says the reduction in the income tax, the sales tax and the stamp tax represents, a similar loss in revenue had been occasioned by a reduction of the customs tariff, the relief to our taxpayers would represent at least $100,000,000. I base that statement on the fact that a four per cent sales tax on the business of the country is estimated in this budget to bring in $104,000,000 in revenue, while the average tariff tax which is 23 per cent on our business is estimated to bring in a revenue of only $141,000,000, although that tariff tax is five times as great in percentage. Therefore I am led to believe that the customs tariff is not nearly as efficient a method of collecting revenue as is the income tax. If we figure out the ratio, we shall find that while one dollar is gathered into the treasury three times as much goes into the pockets of the interests protected under the customs tariff. It seems to me that this perhaps is one reason why Canadian industry has not been as prosperous as it should be. I do not believe it is possible to build up a strong, virile industry by a system of coddling any more than it is possible to build up a sturdy manhood and womanhood by such a system. I think that industry can be made strong and prosperous in this country by being in large measure thrown on its own resources. Surely after fifty years of assistance under a protective tariff, under which our manufacturers have never got a lower average protection than 20 per cent, we may well urge a party that year after year has promised tariff reductions to give us results. True, in the fourteenth parliament some reduction was made on agricultural implements, and a further reduction was made last year. But it seems to me extraordinary conditions must develop before we can effect a reduction in the customs tariff. I hope however that the government realizes the importance of implementing this plank of their platform, which apparently they are abandoning,—a plank which, by the way, had a good deal to do with the election of a considerable number of those who sit to the right of the Speaker. The tariff reduction afforded in the last budget, and the promise of further reductions, played no small part in returning an increased Liberal membership from the province of Ontario. Just so long as the government keeps faith with those electors, just so long will they retain their confidence in the future.

There never was a time in the history of Canada when the people were so free from party ties, and so eager to approach every question from the broad standpoint of Canadian citizenship as a whole, as they are to-day, and governments may well take warning that promises made by political parties will be expected to be carried out to the letter. This is the case to-day more than ever before in our history.

There is no doubt that there has been an alarming exodus in the last twenty years. Out of over 400 townships in old Ontario only 61 have increased in population in that time, according to the 1921 census, and these few have been close to cities or towns where there has been an overflow into the township. In some constituencies there has been a reduction of 5,000 in ten years. The rural citizens believe that the foundation of any nation is the soil, and that is why they are anxious that tariff relief shall be given the agriculturists. This is what the rural communities of Ontario want, so that they may rebuild this old province. There is homestead after homestead throughout the province unoccupied at the present time, and vast pasture lands waiting to be utilized. We must not forget that the foundation of the nation is agriculture. It is time, therefore, that we harked back to the welfare of the men on the soil; otherwise we may wake up some day and find ourselves in a very unenviable situation. We are this year commemorating the diamond jubilee of Canadian confederation. We have been sixty years a nation. I trust that when the celebration takes place due consideration will be given the pioneers of this country, those who laid its foundations and handed down to us the great heritage which we enjoy. The agriculturists of Canada for fifty years have contributed to the welfare of Canadian industry to the tune of over twenty per cent, and it was sincerely to be hoped that in this jubilee year we might have expected a budget that would give a substantial measure of tariff relief to the rural communities.

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

PRIVATE BILLS

SECOND READINGS

Bill No. 4, for the relief of Alice Victoria McGibbon.—Mr. Garland (Carleton).

Bill No. 5, for the relief of John Jones.—Mr. Church.

Bill No. 6, for the relief of Samuel Paveling.—Mr. Edwards (Ottawa).

Bill No. 7, for the relief of Benjamin Rapp.—Mr. Anderson (Toronto).

Bill No. 8, for the relief of Bernard Thomas Graham.—Mr. Anderson (Toronto).

Bill No. 9, for the relief of Robert Edward Greig.—Mr. Anderson (Toronto).

Bill No. 10, for the relief of Daisie Hawkey.—Mr. Speakman.

Bill No. 11, for the relief of Olive Mary Mead.—Mr. Garland (Carleton).

Bill No. 12, for the relief of Alice Elizabeth Blakely.—Mr. Geary.

Bill No. 13, for the relief of Ethel Maud Hargraft.—Mr. Young (Toronto).

Bill No. 14, for the relief of Frédéric Vinet.—Mr. Geary.

Bill No. 15, for the relief of Gwendolen McLachlin.—Mr. McPhee.

Bill No. 16, for the relief of Jessie Evis.—Mr. Arthurs.

Bill No. 17, for the relief of Max Gertler.—Mr. Casselman.

Bill No. 18, for the relief of Florence May Hicks.—Mr. Anderson (Toronto).

Bill No. 19, for the relief of Ruth May Harrington.—Mr. Edwards (Waterloo).

Bill No. 20, for the relief of Edith Maude Bull.—Mr. Kaiser.

Bill No. 21, for the relief of Joseph Bernard Hoodless.—Mr. Garland (Carleton).

Bill No. 22, for the relief of Edward Barker.—Mr. Ross (Kingston).

Bill No. 23, for the relief of Joan Henderson.—Mr. Ladner.

Bill No. 24, for the relief of Vina Kennedy (otherwise known as Vina Dorothy Kennedy).—Mr. Matthews (Toronto).

Bill No. 25, for the relief of Aimée Glenholme Young.—Mr. Matthews (Toronto).

Bill No. 26, for the relief of Alberta Lutz.—Mr. Rennie.

Bill No. 27, for the relief of George Frederick Adams.—Mr. Anderson (Toronto).

Bill No. 28, for the relief of Edward Saville.—Mr. Anderson (Toronto).

Bill No. 29, for the relief of Robert Fisher.—Mr. Jacobs.

Bill No. 30, for the relief of Dorothy Terry.—Mr. Casselman.

Bill No. 31, for the relief of Lillie May Brown Nichols.—Mr. Garland (Carleton).

Bill No. 32, for the relief of Hazel Pearle Clarke Pearcy.—Mr. Garland (Carleton).

Bill No. 33, for the relief of Edith Swartz.—Mr. Hocken.

Bill No. 34, for the relief of James Gibb Erskine.—Mr. Garland (Carleton).

[Mr. B. W. Fansher.]

Bill No. 35, for the relief of Ernest Johnson.—Mr. Garland (Carleton).

Bill No. 36, for the relief of Maxime Demers.—Mr. Garland (Carleton).

Bill No. 37, for the relief of Ethel Clementina Craig-Williams.—Mr. Lennox.

Bill No. 38, for the relief of Ida Lula Dupuis Murchison.—Mr. Garland (Carleton).

Bill No. 39, for the relief of Gladys Andrea Boyle.—Mr. Young (Toronto).

Bill No. 40, for the relief of Leslie Ellis Noble.—Mr. Garland (Carleton).

Bill No. 67, respecting The Quebec, Montreal and Southern Railway Company.—Mr. Dubuc.

Bill No. 68, to incorporate The Detroit and Windsor Subway Company.—Mr. Odette.

Bill No. 71, respecting The Alberta Railway and Irrigation Company.—Mr. Jelliff.

Bill No. 72, respecting a certain patent of Enos Henry Briggs.—Mr. McDiarmid.

Bill No. 73, respecting the Canadian Pacific Railway Company.—Mr. Spencer.

Bill No. 74, respecting The Canadian Transit Company.—Mr. Odette.

Bill No. 75, respecting The Essex Terminal Railway Company.—Mr. Robinson.

Bill No. 76, respecting La Compagnie du chemin de fer de Colonisation du Nord.—Mr. Parent.

Bill No. 77, respecting The Manitoba and North Western Railway Company of Canada.—Mr. McPhee.

Bill No. 79, to incorporate Niagara Falls Memorial Bridge Company.—Mr. Pettit.

THE BUDGET

CONTINUATION OF DEBATE ON THE ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed the debate on the motion of Hon. J. A. Robb (Minister of Finance) that Mr. Speaker do now leave the chair for the House to go into committee of ways and means, and on the proposed amendment thereto of Mr. Coote.

Mr. J. C. BRADY (Skeena): Mr. Speaker, from time remote the introduction of the budget has been associated, not only in England, but in most European countries, with a ceremonial befitting the importance of the occasion. As hon. members know, the word comes from the French word bougette, a little bag, and it was customary in those days to have the budget brought into the House of Commons in a small blue bag. One can imagine the exciting interest that prevailed in the House when the bag or budget was opened. To-day in our parliament that ceremonial is not a part of the reading of the

budget, but nevertheless the budget speech is a far-reaching and important document to the people of Canada, because on it will depend the knowledge which we have of the present status of the country's finances and the future prospects of the country.

I have heard that it is usual on the budget debate for hon. members to be given a certain liberty of speech and that any subject may be discussed. I do not intend this evening to discuss a variety of subjects, but I hope to bring to the attention of the government a few things that may be of importance when they come to consider their future policy in regard to Canada.

It was a source of gratification and perhaps more of a feeling of pride in Canada to learn from the budget that by the end of the present fiscal year we would have a favourable trade balance of probably $250,000,000. but there is to this, an aspect, which I think, is worthy of the consideration of every right-thinking man and woman in this broad Dominion. There may be a danger that in parting with our great natural resources, particularly of our forests and mines, we may go too far, because there is a limit even to those two great natural resources in Canada, just as in the case of the tower of Pisa, which has stood many centuries removed from the perpendicular, yet, we find that engineers are to-day engaged in endeavouring to save that ancient monument because it is now fourteen feet from the perpendicular and at any moment may topple. I bring in this illustration just to show that it is a dangerous path we tread, when steadily, year by year, we export a large volume of the two important natural resources of our country which demand the greatest care in order that they may be conserved for future generations.

I gleaned from the budget one or two things which it might be of value to bring before the government in connection with the particular resources to which I refer. We find in the budget that the export of gold bullion and quartz in 1925 amounted to $23,600,000, and in 1926 to $5,000,000, or a decrease of over $18,000,000. I am sure that those who advocate the development of our subsidiary industries will look upon it as a source of congratulation that we are adopting a measure which will meet with the satisfaction of all the people of Canada. I hope, Mr. Speaker, that the government will continue to work in that direction, and may we hope the same course will be adopted with other of our natural resources, because we believe—and I am sure that not only the members on this side but those on the government side hold the view—that our subsidiary industries must keep pace with our growth and population. Our primary industries, like our great wheat fields, our forests and our mines must likewise be developed, but it must be done in connection with the development of our subsidiary industries. I regret to say that while we continue to increase our export of asbestos, copper, aluminum, iron, and pulpwood, we show a decrease in the export of wool and butter. That may seem to members of the government a mere trifle. I will endeavour to prove that it is a very important thing and worthy of notice. In 1925 Canada exported to the United States 4,397,232 pounds of butter, valued at $1,407,683 and, in 1926 the export was 353,808 pounds, valued at $101,744. Here we see a decrease which shows that something has happened that we should note particularly. What do we find as the cause of this great decrease? The United States on March 6, 1926, raised the duty on butter imported into that country from eight to twelve cents a pound, and that increase of four cents reduced the export of Canadian butter into the United States from 4,397,232 pounds to 353,808 pounds. Now I have heard, and we hear it repeatedly, that free trade is a necessity for Canada to-day, but let me remind those who believe in this policy that, although Bright and Cobden said that free trade was a good thing for England in the hungry forties of the nineteenth century, it is not a good thing for England and Canada in the second decade of the twentieth century. We know—and I am convinced that if hon. members on the government side declared what they believe in their hearts, they would say—that a tariff policy protecting our young industries is an absolute necessity.

Another matter that I think is worthy of notice is in reference to Canada's trade with the United States. For the twelve months ending November, 1926, Canada exported to the United States $470,149,366 worth of goods. That means that there was an increase over the 1925 export of $408,042. The imports from the United States into Canada for the same period in 1926 were $666,128,368, an increase of $95,747,527. Briefly, what does that mean? It means simply this; that we increased our exports to the United States in 1926 by less than one per cent over 1925, and we increased our imports from the United States in the same period sixteen per cent. I am not going to be an alarmist. I do not intend to say anything that would exaggerate or make foolish any of these statements, but I do say—and the people of Canada know it—that there is a tendency to forget that the future of Canada and its progress are bound up with the development of

these secondary industries which would enable us, instead of importing so much manufactured goods, to export our own goods. I believe that the government is anxious to do the best for Canada, and that it thoroughly understands the sacred duty which devolves upon a government. But this I do say, because I speak what the heart of the people wishes to express: The government of Canada should not think of a particular class or a particular interest; rather they should do what is best for the interests of Canada as a whole and for the future progress of this country.

It may seem strange to the Prime Minister (Mr. Mackenzie King) and to the government as a body that although last year's budget was pronounced to be a great success, although Canada had enjoyed a year of great prosperity and substantial reductions were made in taxation, although an elevator was built by the government in the city of Prince Rupert and by all common logic it would seem that the constituency of Skeena should have returned to this House a government supporter, yet it did not do so. It may seem ingratitude on the part of the electors not to return to parliament a Liberal member because Prince Rupert was held in such affectionate regard by the late Sir Wilfrid Laurier, who looked with fond eyes upon its birth and pledged almost his political destiny that that port should be developed. My predecessor, I am sorry to say, is more to blame for my presence here than perhaps any act of mine during the last federal campaign. I tell the government to-day that I was sent here to do what he failed to do, to present facts, not fancies, to the government for their consideration. I think it is the duty of a member of parliament, Mr. Speaker, to represent, not a section of the people, but all the people; to be honest and straightforward in his presentation of matters political, and neither to exaggerate nor to minimize conditions as they exist in his constituency. My predecessor did not present to the government the facts as they existed. According to him, everything was well in the land of Skeena. Everything was flourishing, and the people were basking under the beneficent influence of the government. From Atlin in the north to Ocean Falls in the south Skeena was a land, according to him where everything was well. It is a great land, Mr. Speaker. It is rich beyond the bounds of imagination, but I say to this House to-night that the aspirations of its people, their wants and their legitimate demands, were not presented to the government in order that the conditions under which they were suffering might be ameliorated. When men come from contact with reality, and very often tragic reality, they are apt to have small patience with the ordinary conventions of speech which are sometimes used to conceal the truth. The people's representative should be a representative of all classes, of all occupations and of all interests, and he should voice the aspirations of the people before the tribunal of parliament, the highest and the greatest tribunal in a democratic country. But, Mr. Speaker, when we see in that land, endowed with all the riches of nature, whole countrysides in a stagnant and moribund condition, when we see men and women struggling for a living under conditions that are perhaps too severe, we are looking at sights that should not be seen in Canada to-day.

Mr. MacLEAN (Prince): My hon. friend has stated that his predecessor fell down in his duty as a representative because he failed to present the facts as they existed. The late member for Skeena was a very highly respected member of this House, and we would like to hear the particular occasions on which he fell down and the particular matters which he failed to present to the House.

Mr. BRADY: I shall enumerate them as I proceed. The country population, Mr. Speaker, is the most vital element in any nation, and it should be given a better chance of continuance and growth. We are creating in Canada to-day, by our neglect in assisting the industrial centres throughout our rural districts, a parasitic state of existence, drawing our youth to the towns, very often to get little clerical jobs either in the banks or in the government, and thus breaking down the morale and the character of our young manhood and robbing them of those healing and beneficent influences which come from participating in the development of our resources—because, Mr. Speaker, tilling the soil and developing our great natural resources is the one great source of patriotism and love of country. So long as our youth are not given a chance to participate in the upbuilding of Canada, so long shall we have this exodus to the great republic.

Hon. members may smile and think that the opposition have nothing to do but attack whatever the government brings forward. That is not so. In my view, Sir, the duty of an opposition is an honourable and onerous one, and I believe that the government are always pleased to find in the ranks of the opposition men who will point out where legislation is weak and offer constructive criticism to make it better.

Undoubtedly, Mr. Speaker, Canada's immigration problem is greater than the immigration problem of any of her sister dominions. The reason is that Australia and New Zealand, for instance, being far remote from a great industrial country such as the United States, their sons and daughters remain in the land where they were born, and likewise the immigrants to those dominions are content to remain in their adopted country. But we are in a very different position. Owing to the lack of employment for our youth commensurate with their ambition, they go to the United States, where they meet with pronounced success. If any hon. gentleman here desires to secure concrete proof of what is happening in this regard to-day, it is easily obtained. There is not a high school in the Dominion but is pouring out every year scores of boys of brilliant attainments who go to assist in developing a country that is the principal trade rival of their own.

To-day, Mr. Speaker, we are waiting for some statesman to solve the problem, not of bringing in more immigrants, but of keeping our sons and daughters in the land of their birth. It is no small problem and it is not to be passed over lightly. It strikes at the very vitals of our national life, and upon its solution hinges the future of Canada. We are told that Canada's one great need is more people, and we know that she is entitled to and can sustain a great population. But, Sir, before we invite more immigrants to make their homes with us we must make conditions such that those who have already settled here may be able to continue on their farms. We are not doing this at the present time, as I shall point out in regard to my own constituency. To-day, while Holland is spending large sums of money in reclaiming land from the sea, while Italy is spreading out to acquire new territory, and while in the eastern and southern countries the population increases as regularly as ocean wave follows ocean wave, we with an empire of fertile land are wondering how we shall fill up our great open spaces. That is something to be taken to heart by those who have an interest in the progress of their country.

Coming to my own constituency, by way of supplement to what I said regarding the reason for my being here, let me read a very short extract from the Province of September 17, 1926. This is a telegram sent by the Prime Minister of Canada to the Premier of British Columbia. After thanking Mr. Oliver for his congratulations on the result of the federal campaign, the right hon. Prime Minister said:

> I will look to see British Columbia come gradually into line.

If I now read a quotation from the Daily News of Prince Rupert of the tenth of this month, I think the House will agree with me that the hopes of the government appear to be bright and rosy. The late member for Skeena on this particular occasion, in addressing a public meeting, said:

> There is no doubt in my mind that I am still the member for Skeena. The only difference is that I draw no salary and am privileged to stay at home and enjoy my family.

Is there any other constituency in Canada to-day that has the great privilege of being represented by two members, one in the House on the opposition side, pleading the cause of that constituency, and one at home, the real member, who has the interests of the constituency at heart? I give to him whatever honour he deserves, and I add this, that if through his instrumentality the dream of Sir Wilfrid Laurier comes true and the port of Prince Rupert develops into one of the great ocean ports of the world, I shall not feel in the least envious. If my predecessor is still the member for Skeena, then surely this House as well as myself can support him in his demands for better transportation and greater development. And if, as the Prime Minister (Mr. Mackenzie King) declares, Skeena is to come into the fold, supposing that thereby the development of Skeena and the happiness of the people who live there will be furthered, I offer no objection.

I have here a little clipping from an American newspaper which is pregnant with meaning:

> The government estimates that the present population of the United States is 118,628,000. The country has gained 12,917,380 people in the last six years, and 1,500,000 in the last year. All this is encouraging, although it is too slow. We need 50,000,000 more people now to eat up the surplus products of farms, buy new automobiles and our used ones likewise. The people are the real wealth of the country.

According to this editorial the United States requires fifty million more people to absorb its surplus products; yet at this very hour we find in various parts of Canada settlers of the finest type, who have made our empire what it is, struggling in despair and quite often ready to leave a country which should be to them a very paradise.

I am not here to-night to advance any adverse criticism. I do not blame the government for the fact that settlers to-day, in the most fertile valleys of the world, are suffering untold hardships through lack of the things they need. It is an old grievance. I do affirm, however, that it is the duty of the government to listen to the voice of a rep-

resentative who submits to them matter for thought, and who states the facts, which they can easily verify as it is their duty to do.

I come now to the constituency which I represent. An hon. member asked me why it was that my predecessor was not here to-day. I can reply to him convincingly: the electorate of that constituency by their vote on September 14 gave the answer, namely, that he was not satisfactory to them because he was not placing their needs as they ought to be placed before the government of the country. You need go no further than that. If I thought for one moment that in coming to this House I might in any way interfere with the laudable ambitions and the future prosperity of Skeena I would not be here. I feel that the government of the country is endowed with a wisdom, or at least a judgment sufficiently grounded, to enable it to rise above party politics and to view Canada's needs in a non-partisan, national spirit.

I want to bring to the attention of the government now a few points in connection with the harbour of Prince Rupert and generally of the riding I represent. As this House knows, in 1911 Sir Wilfrid Laurier visited that port, taking a deep interest in its development. He prophesied that one day Prince Rupert would become one of the ocean ports of the world. To-night, it seems to me, this prophecy is well on the road to being fulfilled. To-day the port of Rupert is an ocean port, and before the next few months will have passed, over fifty tramp steamers from Britain and the orient will have loaded grain for every port in Europe, and for the orient as well, at the local elevator. This, Mr. Speaker, is the thing I would like to dwell on for a few minutes. I believe there were many members in this House who did not believe it was advisable that an elevator should be built in Prince Rupert. No one should find fault with a man if his convictions are honest and if he believes that it is not advisable to put a large sum of money into an elevator or into a new railway line. But now that the elevator is a success, now that it is functioning to the extent of one hundred per cent, now that wheat from Alberta is flowing into it steadily, the government must undertake to see to it that that port continues to function and to develop, not for the sake of Rupert but for the sake of Canada and the development of Canadian ports. In that port we have wonderful facilities of all descriptions for an ocean-going trade. When the port of Montreal and the great lakes were frozen up and scores of steamers were ice-locked round the Christmas season, there were at the port of Prince Rupert—which never in the memory of man has been ice-bound, and I believe never will—five or six vessels ready to take grain to the orient or the old country. I would ask the government to remember that it is their duty now to interest capital in continuing the work that they commenced, and that other elevators should be built as well as the present one. For Prince Rupert is the natural outlet to the Peace river country. Rupert is 480 miles nearer the orient than any other port of Canada, and as the orient is annually increasing its imports of wheat, the evidence is conclusive that that port will become a great ocean port. But there is one thing, Mr. Speaker, I would urge the government to consider and it is this: The development of the hinterland of Prince Rupert has been sadly neglected. The transportation facilities are of the very worst. The great Buckley valley, which produced that timothy seed that won, I believe, the first prize at the Chicago exhibition, lies in the very place where to-day people find access to the market for their products very difficult. I shall read a few words from a statement by the Lieutenant Governor of British Columbia regarding the hinterland of Prince Rupert, to which I am going to refer for a few minutes: "A dominion within British Columbia", is how the Hon. Randolph Bruce, Lieutenant Governor of British Columbia, described the interior of central British Columbia after taking a trip through it in the fall of this year. His words were:

> I was amazed at the vastness of the rolling country. It is a wonderful mixed farming country, and the settlers are of the type that go to make a wonderful land.

Would you believe that for five years the people of Francois lake and the Ootsa lake country, one of the most fertile, one of the most beautiful and one of the richest both in its soil and in its mineral production, have asked this government to put in a little spur line of eight miles that would open up two thousand miles of country where a thousand British families could live in peace and comfort? The people of this country consider, perhaps unjustly, that the government of Canada are more concerned in building up hotels for the tourist trade than providing the necessary facilities to get their goods cheaper to market. I do not believe the government are as hard-hearted as that. I believe that the government, when these matters are placed before them, will be willing to do what is right, namely, give those people these facilities which will permit of the development of a fine type of settler. In the north country

of Atlin, where we have thirty-two producing mines, what do I find? An immense area, rich in its soil and in its mineral production, with thirty-two placer properties, including hydraulics, and a great prospect of further development. What assistance has this country received from the federal government for the last twelve months? None, except an increase in the postmaster's salary, although its people have for years asked federal aid through the provincial members and their federal member that they might get a very necessary thing—simply a road that would enable them to bring in their goods and not have to pay a rate of $65 a ton as they are paying to-day. It is no wonder that men turn aside and lose faith in governments when governments seem to be heedless of their wants. We have likewise in the south of that constituency a great valley rich in resources and in population; but what do we find? The same thing prevails there. The people there, just because there is no road, pay $60 a ton to bring their food supplies into the valley. Therefore I would urge the government to consider the advisability of reëstablishing federal aid for highways. I believe that British Columbia exhausted its quota, but last year the federal government spent more than $18,000,000 in the upkeep of our highways.

Another matter that has caused annoyance and disappointment to the people of my constituency is the fact that from the port of Prince Rupert to Canada outside there is not a road nor even a pathway. You may search the geography of the world and you will not find a port as important as Prince Rupert that has not a highway leading from it. I know the government cannot do everything, but I do know that unless federal aid for highways is reëstablished, the port of Prince Rupert will still wait for many years before those ninety miles of road are built to connect with the great Canadian highway.

It is all very well for hon. members from highly organized and artificial city life to look askance at pleas made by representatives from rural districts, but the happiness of those people, yes, their very future, depends upon things of this nature. When the Hudson Bay railway problem comes before this House it may give me far more thought and doubt than I had before to decide the question: Is the government doing right when so much necessary work is required in settled places and districts where the people are waiting for that little help?

Another matter that I would like to touch upon is this. I am no pessimist; I am not an extreme optimist; but I am one who believes that we are living in a great period in the history of Canada, and that the one thing which we need to-day is a policy of development which will bring together and relate closely the maritime provinces, the industrial provinces of Ontario and Quebec, the prairie provinces, and British Columbia. There is no value in an isolation policy, and the government will be doing a great work if, in the diamond jubilee of confederation year, they inaugurate a policy whereby every place, every province, in Canada will participate justly and equitably in federal government.

The port of Prince Rupert is the greatest fish producing centre in Canada. Figures after all are very dry, and I notice that last week when members speaking began to cite figures, many took no notice. But nevertheless no one can realize the wonders of Canadian commerce if he does not take an interest in figures. In the season of 1926 just closed, what do I find as regards the port of Prince Rupert, which is district No. 2 of the three great fishing districts of British Columbia? I find that the whole salmon pack for British Columbia in 1926 was 2,605,000 cases of salmon, and of that the Prince Rupert district alone produced 1,376,300 cases—in other words, nearly 60 per cent of the total export of salmon. We have a great fishing industry; we have in the port of Prince Rupert alone nearly $2,000,000 invested in salmon boats and halibut boats. We have contiguous to Prince Rupert a district so rich in its mineral wealth that one mine fifty miles from Prince Rupert in the last six years paid in dividends alone the sum of $8,600,000. We had a new mine opened up a few months ago called the Topley mine. It is bonded for $200,000 cash, and it is the belief of those who understand mining properties that in a few years it will be a second Premier mine, and probably a rival of the great Trail smelter. Then we have within sixty miles of Prince Rupert the great Anyox Copper Smelting Company. We have everything in that district that the people of Canada should be proud of, and yet the people are disappointed at the way they have been treated. What they need is transportation. That is the outstanding need in central British Columbia to-day, and if the Canadian National management, who are so anxious to make their line successful, would only realize that an expenditure in this territory would bring them a good return on their capital investment, I am sure they would not delay in coming to the aid of these people.

I have little further to say. I may have erred somewhat in my presentation of these matters, but I am a new member and perhaps I am not advanced enough to be able to cloak my thoughts. I say with Shakespeare

in Macbeth that "Security is man's chiefest enemy." There is no government, I care not where they are or how strongly entrenched they may be, that can continue to turn a deaf ear to the aspirations of the people; for if they do the day will surely come for them, as it came for Macbeth, when the hopes they built upon will dwindle away. I am not saying this in any personal way, but it does seem to me that the hour has come, Mr. Speaker, when at least the two great parties in this House, though they may choose to differ on major questions, should at least agree on minor ones and unite in putting through good legislation and in giving good progressive government for the good of the people as a whole. Mr. Speaker, the people are thinking to-day, and they are wondering why it is that in an era of such great prosperity for Canada, many sections of this country are not participating in that prosperity. May I express the hope that 1927 will be for Canada a year of progress and prosperity in which every part of the country will share. May we see in our Dominion a great and a happy people without many problems, and leading the way in good, sane and progressive government.

Miss AGNES MACPHAIL (Southeast Grey): Mr. Speaker, I wish to comment briefly upon the budget which was brought down this year on the 17th of February. It was an early, if not a promising, product of the new year. In that budget very much was said about the buoyant spirit that is prevalent in Canada to-day, about the good crops that we have been blessed with and the reduced debt, and I am glad to say that in a measure these things are true. Conditions are better than they were, possibly a good deal better than they were three or four years ago, but when the hon. Minister of Finance (Mr. Robb) goes further and says that all traces of war depression have disappeared, my personal opinion is that that is a misstatement of fact. Many papers have picked this up and are carrying it across Canada, but personally I think it is very far from the truth. Possibly the government feels it needs some excuse for already making preparations for the next conflict and increasing to such a great extent the estimates of the Department of National Defence. I want to speak on that subject for just a moment or two, and to quote from one whose name is familiar to the members of this House, the Hon., possibly the Right Hon. Arthur Ponsonby. He is a very respectable fellow. When he was a little chap he held the queen's train. He has blue blood, but he thinks. He has written many pamphlets and many books, one recently, Now is the Time, from which I quote. At page 102, in speaking of war, he has this to say:

> I maintain that by far the most tragic thing about war, is not its immorality, nor its cruelty, but its manifest and colossal futility and imbecility. I maintain that war achieves no single object of advantage in the high sense to anyone, nor does it attain any of the supposed aims for which it is waged.
>
> The sight of the Allied Powers first making a supreme physical effort to destroy and annihilate their foe, and then making a far more prolonged, yet still unsuccessful effort to set that selfsame foe on his feet, in their own interest, is in itself a striking epitome of the inanity of war.

Again, at page 112, and I would refer this to the profound consideration of the government, he says:

> As to the settlement of grave international disputes, war is obviously the very worst method. Agreement, not force, is the only possible method of settling any dispute.

It is evidently the one that has been arrived at by the two major parties in this House. He goes on to say, at page 114:

> The spirit of militarism in governments is far more rampant now than before the war, although it may have shifted its abode. The expenditure on armaments in the victorious nations is far greater than it was before the war.

Just one other quotation, and I am through He comes, near the end of the book, at page 166, to this conclusion:

> That the causes declared by the government for the declaration of any war are, and must be based on lies, and;
>
> Second, that war however fiercely waged and however successfully terminated, can accomplish nothing at all.

If that is even in a measure true, surely we, in such a splendid country as ours, so very free from attack or the fear of attack, so very blest in being far removed from the conflicts of Europe, should consider very seriously the opinions of a man who has been so close to international affairs as the Under-Secretary of State in the British government, led by Ramsay MacDonald. Here is a way money can be saved.

The Minister of Finance (Mr. Robb) stressed the fact that we had had good crops. Possibly he is so far removed from agriculture at the present time that he does not know that in the province of Ontario this year we did not have a good crop at all. In fact, I consider that the farmers in the northwestern part of Ontario, from which I come, have had this year one of the hardest years that they have passed through for some time. The crop was almost wholly a failure. The harvest season was very wet. The farmers are doing the best

they can to tide themselves over until next year. Preceded as it was by several years of depression, they are finding it a most difficult year.

Coming again to the budget, I observe that there is a twenty-five per cent reduction of the excise tax on matches. If you say it that way it sounds a good deal, but I have in my hand a little box of Eddy's matches, sold at two for five cents, I believe, and the tax on that was one cent. If the full benefit of the tax is passed on to the consumer, they will have to charge four and three-quarter cents for these two boxes. I have never seen a retail merchant do business in that way, and I do not expect that he will. I do not expect that the cut in the excise tax on matches will make any difference to the consumer at all. I am not sure whether the manufacturer or the retailer will get the money. The federal treasury will lose it—of that we may be sure —the consumer will lose it; and therefore I am not enthusiastic in reference to the twenty-five per cent cut in the excise tax. I was reading in the Calgary Albertan to-day that the tax brought in last year produced a revenue of $2,403,924, and it will bring in one-quarter less next year.

The reduction in sales tax will be welcomed, but again there is little likelihood of the consumer getting the full benefit. I think all of us are glad of the removal of the excise tax on overdrafts. I approved of that reduction and do not mind saying so. To me it seems stupid to tax people who are in debt and unable to pay, and since I have been there I understand it very well.

I appreciate the provision in regard to the stamp tax, making everything below ten dollars free of tax and over that a uniform rate. I think that is a good thing and I commend the Minister of Finance for it.

Then we come to the income tax. There I must differ with the Minister of Finance. I believe that the income tax should be based on the ability to pay. That is a sound principle and I think it should be maintained. I never felt a bit badly about paying an income tax. I was thoroughly glad that I had an income on which to pay the tax, and there are so many people in Canada who have not an income on which they can pay a tax that I believe those who have incomes should pay income tax. I think I am right in saying that a man having a family of four children is entitled to an exemption up to $5,000. He would have to be receiving $6,000 before he would have to pay a tax, and if a man is receiving $6,000 I see no excuse for not paying the tax. If the government could have found a way to plug leaks and get the higher up people, those with large incomes, to pay the income tax, it would be a much wiser step than the one they have taken, because inasmuch as we do not raise the revenue from direct taxation we will have to raise it from indirect taxation. But if the protective tariff is used for the thing it was instituted for it will raise no revenue at all, because in the protectionist heaven there would be no revenue; there would be nothing imported except the raw materials and they would come in free. Manufacturers are always keen about protecting everything but their raw material. I consider the move from direct to indirect taxation a reactionary one. It is no credit to any Liberal government, and it is not in the best interests of the Canadian people. Direct taxation is a splendid lesson in civics. It leads to better citizenship. People want to know what the government do with the money they get. The system leads to economy and to the elimination of pork barrel methods and campaign funds. In fact if direct taxation is persisted in long enough, until the people are bearing directly the whole taxation, it must lead to a very honest method of carrying on governmental affairs. Moreover it is a business-like method, I think all these things are good, and if for no other reason, this tax should be maintained at its previous level.

The hon. member for Marquette (Mr. Glen) asked why the income tax was lowered, I said it was because they who paid it raised a big enough holler. I should have said the people who pay control the government, or have a great share in controlling the government. In looking for the government when I come to this question of the tariff I find that I cannot see any of them; there are many big men there, but they are all hidden behind the tariff board. I recall that when the Canadian Council of Agriculture was asking for a tariff board the object of it was to have a method of preventing people from obtaining a higher tariff, or establishing tariff for the first time, until they had proved to the tariff board that there was an absolute necessity for the imposition of duties or the raising of the tariff. That, I think everybody in the House will agree, was the object of the tariff board, but it seems to me—I believe that most of the members on the government side will agree—that the tariff board is used as an excuse for the stagnation of the government in regard to this matter.

Has the government learned nothing from the experience of last year? In the face of a dire necessity for support they brought down a budget that was true to the alleged principles of the Liberal party, a budget that made at

least some very substantial cuts in the tariff. It was called the Robb budget, but I think the man whose name it bears was the least enthusiastic in regard to it. Great disaster was predicted after this budget came down. The manufacturers were to leave the country, the workshops were to be closed and the people out of work. Everything disastrous was to follow. This year has proven what the results are, and the manufacturers have not suffered at all. Their sales have increased. The demand for their products has increased. The motor companies manufacture more cars and sell more cars. The best evidence of the effect of last year's budget is the fact that the price the consumer pays has been substantially lowered, yet the government has not the courage this year to take one more step along the path it set for itself last year. The people of Canada approved almost to an astounding degree the Robb budget of 1926. As a matter of fact the Robb budget of 1926 was so powerful in the country that even the customs scandal did not prevent the people from taking what they considered was the best chance of getting another budget of the same kind. Of course, the constitutional question had something to do with the result, but I do think that more than any other factor the Robb budget was responsible for sending the Liberal party back to power on September 14. You know, you got the low tariff west, you gained in the low tariff sections of Ontario —and now your answer to the low tariff people is that having got back you are not going to do a thing about it. Well, I am not worrying; it is your funeral. But it is poor tactics. The people ask for bread and the government gives them a stone.

Often I have heard people say of a certain man, "He is a nice man," or of a certain woman, "She is a sweet woman," and I always think that ends either as far as I am concerned. That is the way with this budget—it is a nice little budget. I consider that the government have missed a wonderful opportunity of expressing in action the alleged ideals and principles of the Liberal party. But they say, "Oh, we could not reduce the tariff because the tariff board had not investigated the thing sufficiently, had not recommended it. Since we have a board we do not need to use our brains, we are resting them." When reading the speech delivered yesterday by the hon. member for Macleod (Mr. Coote) I notice he stated that bath tubs enjoyed a protection of 35 per cent; white lead, ground in oil, 37½ per cent; wall paper, 35 per cent; window shades, 35 per cent; umbrellas, 35 per cent; door mats, 35 per cent; artificial silk fabrics, 35 per cent; silk fabrics, 35 per cent. Well, one does not need a very powerful brain to know that the manufacturers of those articles are enjoying too much protection, to know that they are not merely charging 35 per cent but even 37½ per cent and more than that to the consumer, while they themselves are very comfortable, having summer homes where it is cool and winter homes where it is warm.

I am not one of those who think that the tariff is the only thing that makes the cost of living high. I think the control of credit, cost of transportation and international conditions also have something to do with the cost of living; but the tariff has a great deal to do with it, and those articles that I have enumerated are in everybody's household, everybody buys them. Everybody does not buy an automobile, nor does everybody buy a new automobile every year, but everybody does buy some of these things every year, and it was the business of the Liberal government to reduce the cost of living in so far as they were able to do so and thus acknowledge the confidence that the Canadian people reposed in them last September. This they could have done by reducing the tariff. If any proof is wanting that these articles can stand a reduction of tariff, even although the tariff board has not said so, let me recall to hon. members the speech delivered yesterday by the Minister of Trade and Commerce (Mr. Malcolm), when he was not speaking as Minister of Trade and Commerce, but as an apologist for enjoying 30 per cent protection on his very excellent furniture. He said, referring to the rapid rise in the value of stocks, that Penman's had risen from 152 to 186, Dominion Textile common stock from 68 to 107, Canada Cement from 92 to 131, and then he said he would not burden the House with further examples, of which he had a long list.

Mr. GARLAND (Bow River): In which his own company would have appeared.

Miss MACPHAIL: I suppose so. It would have been better had he not said that, but I am glad he did. It really does not need any argument at all to demonstrate the necessity of further tariff reductions. You do not need a tariff board to tell you that, and if the tariff board is to be made an excuse for never reducing the tariff, why, the sooner we get rid of it the better for everybody concerned. In the course of his speech yesterday the member for Macleod (Mr. Coote) gave the proportions of our exports, 56 per cent being agricultural and 44 per cent representing other exports, partly manufactured goods.

Well, the policy of this government apparently—and the policy of both parties—is just the same so far as I can see, with the exception of last year; and honestly I take quite a bit of credit for people who were not in the government's party for last year's budget—the policy of the government I say is to impoverish the 56 per cent in order to make the 44 per cent prosperous. That is not a good national policy.

I do think that to-day Canada stands more in need of holding her people on the soil than of any other one thing. We want the people on the soil to stay there if they are getting a good return for their labour and investment, if they are having a satisfactory social, intellectual and economic life. If they are, then all is well with Canada. But that is not true. There is not any use our sitting in this comfortable chamber trying to fool ourselves with the idea that the people are staying on the land; they are not. I have not the figures under my hand, but I was reading yesterday that the public school population of Ontario in the last ten years has shifted almost wholly from rural to urban. It used to be that the vast majority of the public school children were in the country, the minority in the towns; it is the other way around now. To-day the educational system which we have in the province of Ontario—assisted by this government it is true—is draining the people from the land just as rapidly as possible, while the government spends a great deal of money on an immigration policy to bring in newcomers to settle on the land where the native born cannot o· will not stay. It is an insane policy, but I suppose one might as well save one's breath and say nothing about it.

We are simply put in the position where we cannot do anything else but move an amendment to the budget. As a matter of fact we are very glad to do so. Somebody must stand for liberal principles if the Liberal party will not. With all due respect, I would suggest that if the Liberal party really want to move along low tariff lines they had better put people in the cabinet who believe in low tariff. If they do not do that, and keep in the cabinet people who are high tariff—very excellent people, of course—it is equivalent to declaring, "We are not a low tariff party at all, we are just a branch of the Conservative party." And just now that looks to be exceedingly true. Why not say so during elections?

I want to quote what Mr. Bayard, at one time the United States ambassador to the Court of St. James, said in regard to protection:

> In my own country I have witnessed the insatiable growth of that form of state socialism styled "protection", which, I believe, has done more to foster class legislation and create inequality of fortune, to corrupt public life, to banish men of independent mind and character from the public councils, to lower the tone of national representation, blunt public conscience, create false standards in the public mind, to familiarize it with reliance on state aid and guardianship in private affairs, divorce ethics from politics, and place politics upon the low level of a mercenary scramble than any other single cause.

I regret that I am not able to stand in my place to-night and say that I agree with the whole budget. I am glad to be able to acknowledge that there are a few things in it that I do like, but they are so small as to be almost insignificant. When I remember that in this budget the Liberal party have departed from the sound basis of direct taxation for the unsound basis of indirect taxation, and that they have hidden themselves —with apparent success—behind the tariff board, I feel that I cannot give my voice in approval of the budget. Therefore, for those of us who believe in low tariff, there is nothing left for us to do but to fight for low tariff and the very many other reforms that go hand in hand with it, because, as I said before, I am not one of those who believe that low tariff is the cure-all. I think that when people get a single track mind like that—well, it seems to me they are off the track, if you know what I mean.

Mr. H. E. LAVIGUEUR (Quebec-Montmorency): First of all, Sir, I wish to congratulate you upon your reëlection as Speaker for the third term. Your reëlection by unanimous consent is certainly a great honour both to yourself and to the House of Commons of Canada. This high position you have occupied since 1921 with such dignity and impartiality that in 1926 the House unanimously reëlected you to the chair as it has done again in this the first session of another parliament.

I consider it an honour to follow the hon. member for Southeast Grey (Miss Macphail), the only lady in the House of Commons, although I do not share her views generally, and particularly so far as the tariff is concerned. She has told us she is absolutely in favour of a low tariff; let me assure her that neither the province from which I come nor I myself can sympathize with her in that regard. We are in favour of protection for industry; we do not believe in a low tariff.

I am glad to have an opportunity to-night to state my views on the tariff question. I am pleased to see that the budget this year contains no items of reduction.

Let me congratulate the Minister of Finance (Mr. Robb) on the splendid budget he has presented to parliament on this occasion. It is the right sort of budget and every business man I have met, whether Liberal or Conservative, acknowledges this. Only the other day I was speaking with one of the chief organizers of the Conservative party in the province of Quebec, and before a large company he told me that in his opinion the Robb budget this year was in every way satisfactory. He did not find anything to complain about in it. It was, he said, undoubtedly a step in the right direction. The budget this year gives us a reduction in the debt of $31,000,000 and a reduction in taxation of $27,000,000. The reduction in income tax is not as considerable as we should like to see it, and the sooner this tax disappears the better. It is one means of retarding trade and industry in this country. Certainly, however, the improvements that were effected last year, and those that we have this year, give us every reason to believe that, as soon as the finances of the country will permit, the first thing the government will do will be to reduce the income tax still further. Reductions in other directions—the business tax, sales tax, tax on cheques and promissory notes—are also welcome, and it is encouraging to think that the government has been able to effect these reductions and at the same time administer the affairs of the country as economically as they have been administered

Just a word now about the Civil Service Commission. We have heard a good deal about the commission recently and this year's estimates include a sum of $318,525 for this body. The commission costs this country an enormous amount for upkeep, and I am bound to ask myself whether it has rendered the services which we have a right to expect from it. In many instances, it is felt, the commission has not done justice and has not exercised its powers in the way they ought to have been exercised. The Civil Service Commission has control over the appointment of employees and it controls patronage. I do not believe in patronage but I certainly do think that the member who represents a riding is the best judge of the fitness of a candidate. He ought to be allowed to nominate as postmaster this or that man in the village, because he is in a better position to make the selection than are the commissioners sitting here in Ottawa. Moreover, when a member recommends a candidate for appointment he is bound to take the responsibility for his recommendation, and this being the case he must take care to see that the appointee is possessed of the proper qualifications. The function of the commission should be to examine candidates, and the head of the department, in conjunction with the representative elected by the people, should be responsible for the ultimate appointment. It seems to me that we could save three or four hundred thousand dollars by a reorganization of the Civil Service Commission, and the administration would be just as effective. I hope that steps will be taken to improve the commission by withdrawing from it certain powers which, in my opinion, experience proves the commission unfit to exercise.

I wish to place before the House once more some of the needs of the district, comprising the city of Quebec and the county of Montmorency, which I have had the honour to represent since 1917. The citizens of Quebec have been asking for some time for the construction of a roadway on the Quebec bridge, and I urge the government to grant substantial assistance towards the project. I hope they will take the question into consideration and vouchsafe that measure of assistance which the conditions justify.

I observe with pleasure that a vote of $100,000 was placed in the estimates for repairing and putting in order the quarters of the Governor General at the Quebec citadel. That old citadel, as well as the old fortifications of Quebec city, to which so many historic memories are attached, should be placed in the best possible condition so that they may be objects of pride to future generations. I take this opportunity of asking the government to grant a substantial amount towards the worthy object of restoring the old fortifications.

A few days ago I had occasion to remind the government that while they were voting millions of dollars to take up bonds of the Grand Trunk Pacific Railway belonging to people in England, they should at the same time take up the bonds subscribed by the city of Quebec for the construction of the Lake St. John railway, and a portion of the Canadian Northern now merged in the Canadian National railways. I repeat my demand on the present occasion, and I ask the government to do for the citizens of Quebec what they have done for the citizens of London, England.

The government has adopted a very wise policy in providing for the building of post offices in different places. I notice that one of my hon. friends from Prince Edward island has obtained an appropriation for this purpose. May I ask the Minister of Public Works (Mr.

Elliott) and the Postmaster General (Mr. Veniot) to grant the amount necessary to provide a post office in Beauportville, a municipality possessing a population of some six or seven thousand people? The necessary site for this purpose was acquired by the Public Works department some years ago. The time has now come when the money necessary to carry out this project should be made available, seeing that Beauportville is one of the most important parishes outside the limits of the city of Quebec. I would make the same demand for the municipality of Saint Grégoire de Montmorency, a rapidly growing municipality with a population of over five thousand.

I would suggest to the government that the election act be amended in some way in order that it may operate more satisfactorily than it does at present. The existing law was the cause of a great deal of misunderstanding at the last election. Everybody interpreted the act as they thought fit and great injustice was wrought. In my opinion the election law should be carefully amended so as to avoid a repetition of some of the mistakes which were witnessed in the fall of 1926.

I notice that the hon. Minister of Agriculture (Mr. Motherwell) is in his seat, and I would urge that he establish a demonstration farm on the island of Orleans. This island is situated only a few miles from Quebec but agriculture flourishes in its several parishes and the people there are producing fruits of all kinds in enormous quantities. They are asking for a demonstration farm on the island, and I would urge the Minister of Agriculture, who devotes so much time to the agriculture of this country and who is always so anxious to do anything he can for this class of people, to establish a demonstration farm on the island of Orleans.

During the last year everybody has heard about the customs investigation and enormous sums of money have been spent in endeavouring to find out if smuggling is going on in Canada. What has been found out, however, was known before the investigation began. To-day I ask this government, which is desirous of economizing and which very often refuses, on grounds of economy, to vote money for demands which are most reasonable for urgent public works, if the time has not come to stop this investigation and to endeavour to find some way of putting an end to smuggling in this country. We know that smuggling has been going on, not wholly in Quebec or the port of Montreal, but on an equal basis in all provinces of the Dominion. Let us stop this extravagant expenditure and use the money in satisfying the most legitimate demands which are from time to time made upon the government.

There are in this House seventy-one French-Canadian members, including six ministers. I know that the French-Canadian element in Ontario has been asking for representation in the cabinet, and I would view with pleasure the nomination of one of our nationality to represent in the cabinet our people in Ontario. I would also like to see a seat in the Senate given to some one of French-Canadian nationality in Ontario. This would only be justice, on account of the six counties with a purely French-Canadian population in northern Ontario and six other counties the population of which is partly composed of French-Canadians. I hope that the government will take my suggestions in good part and that our brothers in Ontario may soon have the representation for which they have asked.

On motion of Mr. McGibbon the debate was adjourned.

On motion of Mr. Lapointe the House adjourned at 10.15 p.m.

Wednesday, February 23, 1927

The House met at three o'clock.

MANITOBA PAPER COMPANY

Hon. CHARLES STEWART (Minister of the Interior): In compliance with the request of the hon. member for South Toronto (Mr. Geary), I am laying on the table of the House the agreement between the Department of the Interior and the Manitoba Paper Company.

COMMITTEE ON MISCELLANEOUS PRIVATE BILLS

Hon. ERNEST LAPOINTE (Minister of Justice) moved that the name of Mr. Cayley be substituted for that of Mr. Young (Saskatoon) on the select standing committee on miscellaneous private bills.

Motion agreed to.

NATURAL RESOURCES—PRAIRIE PROVINCES

Mr. H. C. HOCKEN (Toronto West Centre): I desire to present the following petitions asking for the transfer to the prairie provinces of their natural resources without restriction: from Alberta, 2,470 signatures; from Saskatchewan, 1,510 signatures; from Ontario, 990 signatures; from Manitoba, 445 signatures; and from British Columbia, 98 signatures.

PRIVATE BILLS

FIRST READINGS

Bill No. 82 (from the Senate) for the relief of Erik Herman Delling.—Mr. Young (Toronto Northeast).

Bill No. 83 (from the Senate) for the relief of Samuel Stanley McNeely.—Mr. Lang.

Bill No. 84 (from the Senate) for the relief of Edna May Stevens.—Mr. Jacobs.

Bill No. 85 (from the Senate) for the relief of Beatrice Maude Cammell.—Mr. Ryerson.

Bill No. 87 (from the Senate) for the relief of Blanche Evelyn Parkinson.—Mr. Jacobs.

Bill No. 88 (from the Senate) for the relief of Lillian Franklin Boddy.—Mr. Stinson.

Bill No. 89 (from the Senate) for the relief of Ninna Louise Bryant.—Mr. Edwards (Ottawa).

Bill No. 90 (from the Senate) for the relief of John Thomas Fray.—Mr. Casselman.

Bill No. 91 (from the Senate for the relief of Cornelia Mosca Cristoforetti.—Mr. Anderson (Toronto-High Park).

Bill No. 92 (from the Senate) for the relief of Florence Emaline Hind.—Mr. Edwards (Ottawa).

Bill No. 93 (from the Senate) for the relief of Dorothy Helen Elliott.—Mr. Church.

Bill No. 94 (from the Senate) for the relief of Myrtle Blanche Weeks.—Mr. Casselman.

Bill No. 95 (from the Senate) for the relief of Dorothy Olinda Tew Phillips Lawson.—Mr. Edwards (Ottawa).

Bill No. 96 (from the Senate) for the relief of Nelson Douglas Longfield.—Mr. Preston.

Bill No. 97 (from the Senate) for the relief of Susanah Ivy Y. Cave.—Mr. Harris.

Bill No. 100 (from the Senate) for the relief of Agnes Seeds.—Mr. Casselman.

Bill No. 101 (from the Senate) for the relief of James Sharkey.—Mr. Edwards (Ottawa).

Bill No. 102 (from the Senate) for the relief of Lawrence Raymond Sinclair, otherwise known as Lawrence Reginald Sinclair.—Mr. McPhee.

Bill No. 103 (from the Senate) for the relief of Ruby Pearl Northam.—Mr. Young (Toronto Northeast).

Bill No. 104 (from the Senate) for the relief of Leila Beecher Smith Kerman.—Mr. Young (Toronto Northeast).

Bill No. 106, to incorporate The Premier Guarantee and Accident Insurance Company of Canada.—Mr. Smith (Stormont).

Bill No. 107, respecting the Sun Life Assurance Company of Canada.—Mr. Cahan.

[Mr. Hocken.]

QUESTIONS

(Questions answered orally are indicated by an asterisk).

MANITOBA PAPER COMPANY

Mr. GEARY:

1. Has the government made a contract for the sale of pulpwood in the province of Manitoba, with the Manitoba Paper Company?
2. Does such contract contain a clause permitting selection of wood by the company?
3. May the contract, all papers and correspondence therewith be tabled?

Hon. Mr. STEWART:

1. Yes.
2. Wood selection by the Forestry branch of the Department of the Interior.
3. Copy of contract tabled.

POST OFFICE SITES

Mr. SPENCER:

1. How many lots were bought for post office sites by the government of Canada during 1913?
2. In what cities, towns or villages were these purchased?
3. What price was paid for each parcel of land?

Hon. Mr. ELLIOTT:

1. Forty-five.

2 and 3. Place	Price
Amherst, N.S.	$ 30,000 00
Halifax North, N.S.	7,000 00
Milltown, N.B.	2,000 00
Sackville, N.B.	8,000 00
Shediac, N.B.	1,100 00
St. George, N.B.	1,600 00
Beauport, P.Q.	2,500 00
East Angus, P.Q.	5,000 00
Jeune Lorette, P.Q.	2,250 00
Jonquieres, P.Q.	3,500 00
Montreal, P.Q., Postal Station "G"	36,102 00
Stanstead, P.Q.	1,500 00
St. Ours, P.Q.	2,400 00
Verdun, P.Q.	17,949 75
Waterville, P.Q.	1,500 00
Aurora, Ont.	4,000 00
Burk's Falls, Ont.	1,100 00
Burford, Ont.	2,000 00
Durham, Ont.	4,600 00
Georgetown, Ont.	1,200 00
Gravenhurst, Ont.	1,200 00
Hespler, Ont.	3,000 00
London, Ont., Carling Block	130,000 00
Millbrook, Ont.	1,000 00
Perth, Ont.	10,850 00
Toronto, Ont., Postal Station "E"	65,476 14
Watford, Ont.	2,600 00
Carman, Man.	7,500 00
Gretna, Man.	3,000 00
Manitou, Man.	1,150 00

Melita, Man.	1,400 00
Stonewall, Man.	2,500 00
Winnipeg, Man., Postal Station "C"	18,500 00
Winnipeg, Man., Postal Station "D"	35,000 00
North Battleford, Sask.	25,281 68
Calgary, Alta.	312,465 00
High River, Alta.	2,000 00
Vermilion	10,000 00
Kelowna, B.C.	20,000 00
Merritt, B.C.	3,900 00
Mission City, B.C.	6,000 00
Nanaimo, B.C.	24,500 00
Prince Rupert, B.C.	95,000 00
Soda Creek, B.C.	125 00
Union Bay	1,275 00

CUSTODIAN OF ENEMY PROPERTY

Sir GEORGE PERLEY:

1. Is there a custodian of enemy property in Canada?
2. If so, who acts in that capacity?
3. Briefly, what are his powers and duties?
4. What is the amount of the funds in his hands at the present time in this connection?
5. Is any report available regarding the same?

Hon. Mr. LAPOINTE:

1. Yes.
2. The Secretary of State of Canada.
3. To collect, control, administer and ultimately liquidate all property, rights and interests in Canada of former enemy nationals.
4. $11,577,768.59.
5. Annual audits and reports thereon have been made but the custodian has not issued a report.

SECRETARY OF STATE—CLEARING OFFICE

Sir GEORGE PERLEY:

1. Briefly, what are the powers and duties of the "Clearing Office" which is in connection with the Department of the Secretary of State?
2. When is it expected that this office will be no longer required?
3. Is any report of its work available?

Hon. Mr. LAPOINTE:

1. The clearing office was established to settle pecuniary obligations existing between British nationals resident in Canada on the one hand, and ex-enemy nationals on the other hand.

2. The answer to this question depends upon the conclusion of certain actions both by and against British nationals resident in Canada and ex-enemy nationals, which actions are now pending before the Mixed Arbitral Tribunal in London, England, and as there are over three thousand cases pending before that tribunal it is impossible to say when the Canadian cases will be disposed of.

3. A report of the operations of the clearing office has not been issued.

PRINCE EDWARD ISLAND—PORT IMPROVEMENTS

Mr. MACDONALD (Kings):

1. Have representations been made to the Department of Public Works or other departments of the government regarding the need of a frost proof warehouse at Georgetown, Prince Edward Island, for the purpose of assembling for export cargoes of potatoes or other perishable products?
2. Has the Department of Public Works made any investigations or prepared any plans in connection with this proposal?
3. Having regard to recommendation No. 18 in the report of the Royal Commission on Maritime Claims regarding necessary improvements at the ports of Summerside, Charlottetown, and Georgetown, what is the intention of the government respecting the latter port?

Hon. Mr. ELLIOTT:

1. Yes.
2. Yes.
3. Question of making improvements at the ports of Summerside, Charlottetown and Georgetown now receiving the attention of this department.

QUESTION PASSED AS ORDER FOR RETURN

GRAND TRUNK AND GRAND TRUNK PACIFIC SECURITIES

Mr. CHURCH:

Regarding Bill No. 57, to legalize purchase of Grand Trunk Railway and Grand Trunk Pacific securities by the Canadian National Railways;
1. What proportion of these securities are held in Canada?
2. Are any of the holdings in Canada by persons who purchased the same when originally issued?
3. What proportion of these securities are held in Canada by speculators?
4. If by speculators, what were the prices that were paid, the highest and the lowest?
5. What proportion of these securities have passed into the hands of present owners during the last three years or during the last twelve months?
6. What proportion of these securities are held under option by Canadians at present?
7. What were the quotations of the selling value of these securities on the first day of January of each year 1917 to 1927?
8. Under whose instructions were the final negotiations carried for the National railway assuming obligations for the payment of these securities?
9. Were these negotiations authorized by order in council, and when ?
10. Who have personally negotiated with members of the government on this question, and also Sir Henry Thornton or financial officials of the railway, and who conducted these negotiations on each side?

UNOPPOSED MOTION FOR PAPERS

PRINCE EDWARD ISLAND—PORT IMPROVEMENTS

Mr. MACDONALD (Kings):

For a copy of all letters, telegrams, reports of engineers or other officers, with regard to the

improvements required at the ports of Summerside, Charlottetown, and Georgetown, and as to the need of a frost proof warehouse at the latter port for the purpose of assembling cargoes of potatoes or other perishable products for export.

IMPORTATION OF SCOTCH MINERS

On the Orders of the Day:

Mr. A. A. HEAPS (North Winnipeg): I should like to ask the Minister of Labour or the Minister of Immigration a question along the lines of the one which I asked on Monday last in reference to the importation of miners from Scotland into Nova Scotia by the British Empire Steel Corporation. I read in this morning's papers that the men who have come here are now asking to be returned to their country because they have been brought out here evidently under false pretences. Has the minister made any inquiries and, if so, what is the result?

Hon. PETER HEENAN (Minister of Labour): No direct grievance from the men has been brought to our attention, but from inquiries I have made through the employment bureau, I find that we have plenty of labour available in Canada for mining, and I have asked the Minister of Immigration to notify our immigration agents in the British Isles to that effect. Other than that, we have no information except what we read in the newspapers.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Along that very line, may I ask if the Labour department has no way of protecting, on the one hand, the workers who are already in this country and are in danger of having their work taken away from them by a new supply of labour, and, on the other hand, the workers who are being induced to come to this country under false pretences?

Some hon. MEMBERS: Order.

Mr. WOODSWORTH: Do I understand that question is out of order, Mr. Speaker.

Mr. LAPOINTE: Surely. It is an argument.

Mr. SPEAKER: It is a question which requires consideration, and the minister is entitled to notice. The question should be put on the order paper.

GERMAN REPARATIONS

On the Orders of the Day:

Hon. H. H. STEVENS (Vancouver Centre): About ten days ago—I cannot find the exact date at the moment—the Secretary of State (Mr. Rinfret) promised that within a week he would lay on the table a complete statement of reparation claims, and so forth. He is not in his seat, but would the leader of the House be good enough to make inquiries and expedite the tabling of this return?

Hon. ERNEST LAPOINTE (Minister of Justice): I will bring my hon. friend's request to his attention.

DISTRIBUTION OF CIGARS

On the Orders of the Day:

Mr. H. C. HOCKEN (Toronto West Centre): May I ask the Minister of Justice whether all these cigars that are laid on the tables are a contribution to the bonne entente with Quebec?

Hon. ERNEST LAPOINTE (Minister of Justice): All I know is that we owe these cigars to the generosity of a colleague of my hon. friend on the other side of the House.

THE BUDGET

CONTINUATION OF DEBATE ON THE ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE.

The House resumed from Tuesday, February 22, the debate on the motion of Hon. J. A. Robb (Minister of Finance) that Mr. Speaker do now leave the chair for the House to go into committee of ways and means, and the proposed amendment thereto of Mr. Coote.

Mr. PETER McGIBBON (Muskoka-Ontario): Mr. Speaker, I think that in common with many other members on this side of the House I can congratulate the hon. Minister of Finance (Mr. Robb) on the fact that he has been able to present his fourth budget to the House of Commons of Canada. I would also like to congratulate him upon his method of presentation of that budget.

As to the contents of the budget, I think I can also say that I very heartily agree with some of the minor changes he has made. The reduction of the sales tax from five to four per cent is something which will be welcomed in this country; it is something which is long overdue. Had the Minister of Finance been looking after the interests of this country he would have removed the sales tax altogether from many articles, such as clothing, which contribute very materially to the high cost of living in Canada to-day. I am very sorry to say, however, that in my judgment the budget is not what the country was looking for. My greatest criticism of it, and I think this would be the criticism of the country, is that in this budget the Minister of Finance is shelv-

ing his responsibility as a minister. To-day the people of this country are looking for tariff revisions in many items. There are no less than fifty-two applications, I think, before the tariff board, seeking a revision of the tariff. Of these, thirteen have been reported on to the government, yet in his budget, brought down nine or ten days after the House reassembled, he has not considered even one of those applications. I say that it is a hardship to make these industries carry on for another ten or twelve months, and probably longer, without having the redress to which they are entitled.

But unsatisfactory as these things may be, when I look behind the Minister of Finance and see gathered there high protectionists, low protectionists, free traders and independents, I feel like adding a prayer of thankfulness to heaven for the budget we did not get. When we see behind the Minister of Finance men like the Minister of Agriculture (Mr. Motherwell), the Minister of Immigration (Mr. Forke), and the Minister of Trade and Commerce (Mr. Malcolm), all gathered into the fold of the present government and bestowing on this foster child their blessing, I wonder what state governments are coming to in this country. It may be, as Mr. Harry Sifton said a few weeks after this government was formed, in an interview which appeared in one of the Toronto papers, that the Liberal party had the halter upon nearly all the Progressive members and would have it on the remainder in a little while. I remember how, one year ago, when the late leader of this party accused the present Minister of Immigration of being a Liberal, and said he would not even shoot a rat if it was labelled Grit, the hon. gentleman rose and, white with rage, repudiated the suggestion; yet to-day what do we find? We find him sitting serenely upon the treasury benches, swallowing a policy which for years he and his party have denounced, and giving his calm support to a budget which is protectionist in principle at least. When I look at this great change that has come over the Minister of Immigration I cannot help but wonder whether the flesh pots of Egypt have had anything to do with it.

I criticise this budget under a number of heads. In the first place I say to the Minister of Finance that this budget is an evasion of his responsibilities to the people of Canada. The Minister of Finance, I want to emphasize, has been derelict in his duty to the people, especially to the industries of this country, which are looking and have been daily looking for some tariff revision at this time. I would refer him particularly to the woollen industry, which is now and has been for a number of years in dire straits due to the lack of adequate protection. I would refer him also to the boot and shoe industry, toy industry, and many others. I say that it was his duty as Minister of Finance of this country to take the needs of these industries into consideration, and provide some redress before he brought down his budget to the House.

The government have, first of all, failed to give this country proper markets, which is the great need of to-day. Wider markets is our pressing need, and the government have failed in every effort they have made to get a fair bargain for the people of Canada.

Under another head, I criticise this government for having failed to get into this country the people that we must have if we are to make progress. The immigration policy of the government, in the past and up to the present, has been and is absolutely sterile in results. We have not been able even to keep our natural increase in population. So I say to the government that they have failed in their immigration policy.

I say that they have failed also because they have made no adequate provision for retiring the national debt, and it is something that must be done before we can have real prosperity.

They have failed also in that they have done nothing to bring down the cost of living in this country, which is now at the highest point it has attained for a number of years. They have done nothing to relieve this burden upon the poor. I am going to point out to the government, and I hope they will take these facts into their consideration, the methods and means that have been employed along these lines in other countries, and the results that have been achieved. I am going to refer the Finance minister to the American republic to the south. Whether we like it or not, an easy comparison can be made between Canada and the United States. We have a larger territory than they have. We have similar lands, similar climate, similar natural resources, water-powers and everything of that description, and when we study their methods and see their results we get a fair idea and can make a proper comparison. I am going to quote, for the benefit of the Minister of Finance, a sentence from President Coolidge's address to congress in 1925, as follows:

> The collection of any taxes which are not absolutely required, which do not beyond reasonable doubt contribute to the public welfare is only a species of legalized larceny.

Along with that hypothesis I am going to tell him what the United States has done towards reducing the debt and the expenses of the republic, which is of more importance. I have in my hand statistics given by the president in an address which he made a short time ago. I find that the budget in the United States in 1919 showed $6,000,000,000 as the receipts. In 1921 that amount was reduced to $5,538,000,000, with an expenditure of $5,624,000,000. In 1922 the receipts dropped from $5,538,000,000 to $3,795,000,000 while the expenditure had dropped from $5,624,000,000 to $4,109,000,000. In 1923 there was a further reduction to $3,697,000,000; the expenditure had also dropped, and it has dropped until in 1926 the expenditure is only $3,529,000,000, almost half of what it was six years ago. Looking up the figures of the expenditure in Canada, I find that in 1922 the first year this government came into power, they collected in taxes $381,952,387, the next year $394,614,900, the following year $396,837,682, and the year following that $346,834,479. This year the minister tells us that in spite of his reductions he is going to take out of the pockets of the people of Canada some $390,000,000. Then we have the further fact, which is more significant, that the expenditure has run almost hand in hand with the taxes. As I pointed out, not only have they decreased taxation in the American republic, but the expenditure has decreased along with it. Then I point out a further fact which to my mind is going to be of considerable significance to this continent in the future. After the war, in the year 1923, the United States had a debt of $23,000,000,000, and it has been reduced yearly until twenty-five per cent of it has been paid off. The taxation has been reduced from $50 to $30 per head. The taxation in the American republic to-day is $6,000,000 a day less than at the close of the war. That is the record, and that is the example that I point out to the government to-day to follow. To my mind, before we can have real prosperity in this country the debt of the country must be reduced, and taxation must be lifted off the shoulders of the people in order that their purchasing power may be increased.

I want now to show what we have done compared with what they have done in the American republic in regard to agriculture. I find that out of $1,550,000,000 worth of goods on which duties are levied more than half are levied for the protection of agriculture. The United States farmer is protected on imports of over $700,000,000, or over fifty per cent of the imports of that country. What has been the effect of that? One effect has been to increase the prices of farm products in the American republic. I do not wish to cumber the record with the figures, because one year ago I placed on Hansard the results that were obtained after an investigation by a special committee appointed by the President of the United States into the workings of the Fordney-McCumber tariff. I placed figures on Hansard showing that practically every article of produce on the farm, including live stock, had gone up in value in a few months after the Fordney-McCumber tariff had gone into operation. I have to-day the figures of the net increase in the agricultural products of the American republic in the last five years, and I find that in 1920-1921 the net value was only something like $375,000,000, and in 1925-1926 it had risen from $375,000,000 to $2,665,000,000. I do not say that that was all due to the working of the Fordney tariff, because it was not, but I do say that it helped to increase the value of farm products for the American farmer, and it put hundreds of millions into their pockets that would not have been there if that law had not been placed on their statute books.

What has this government done for the farmers of Canada? They have left them alone with their markets almost wide open to the world. We have a duty of twelve cents on wheat where the American republic has a duty of 42 cents. We have a duty of $2 a ton on hay, where the Americans have a duty of $4, and a duty of 50 cents a barrel on flour where the United States has a duty of $2.04. Hon. members know the Australian figures as well as I do. They export their butter to Canada under a duty of a cent a pound, and let eggs come in free; whereas Australia charges 18 cents on butter, and my hon. friend tells me that twenty-five thousand boxes of butter from New Zealand arrived in Halifax this week. That is the way this government is attending to the wants of the Canadian farmer.

Now, Sir, I make this further charge—and I have proof here of it and can back it up if necessary—that this government has not made a treaty that has not been detrimental to the markets of Canada. I have the figures here from the Bureau of Statistics. I put them on Hansard last year, and my hon. friend from West Calgary (Mr. Bennett) placed them on Hansard the other day. The government has failed to retain the population in Canada, and has failed to provide the people with markets or to reduce their taxation in order to build up the country. Why have we not been able to retain our population in this country? Why, Sir, when we look over this

Dominion, when we realize that we have the largest water-powers and the greatest mineral resources in the world, and that our wheat belt, our forests and our pulpwood are among the greatest in the world; and when we think of the advertising that we got during the war, Canada to-day should have a population of at least 15,000,000 or 20,000,000. Why has it not? Simply because this government has been derelict in its duty to give such protection to our industries as would allow our workingmen to earn their living at home. So I say that in every major operation this government has been found wanting; it has failed to reduce the national debt, it has failed to reduce taxation, it has failed to secure markets for our products, and it has failed not only in attracting new population but in retaining our native born. Until this condition of affairs is changed, until we get greater population, until we get wider markets and until adequate protection is given to our manufacturers and our farmers so that we can utilize our great water-powers and turn our natural resources into finished products, thus providing ample employment for our workingmen,—I say, until we do that our people are not going to reap the reward to which they are entitled.

I wish, Mr. Speaker, to compliment the Minister of Finance on the stand he has taken in providing another $500,000 for the Home Bank depositors. I think he has been fair and just in this regard, because two sessions ago, whether rightly or wrongly, parliament decided to contribute up to 35 per cent of what was needed to reimburse those unfortunate people. If I understand the matter aright, the Exchequer court has passed favourably upon a number of claims, but the amount originally granted is not sufficient to meet them.

I want to say in as forcible language as I can that the action of the Postmaster General (Mr. Veniot) who in dismissing postmasters who have been giving satisfactory public service at practically no cost should be severely censured. Some of these postmasters I know have been dismissed although they were drawing less than $100 a year and were giving good service to the public. Why were they dismissed? Simply because some party heeler asked for their dismissal. To my mind, whether such a course is taken by Grit or Tory, it is beneath the dignity of any man who is supposed to be big enough to be the Postmaster General of Canada. But presumably the Postmaster General was too intimately and too long associated with Moses Aziz to be capable of a national viewpoint. So far as I am concerned I want to register my emphatic condemnation of his conduct.

In conclusion, Sir, now that the Minister of Finance is freed from the shackles that hampered him and his government in the preceding parliament by the substantial majority now seated on your right, I am going to ask him to bring down, not this session because it is too late, but next session, a policy that will give the people of the Dominion a chance to remain here. If a proper policy is formulated, a policy that will enable our people to use our great water-powers and develop our immense natural resources to the fullest extent, I believe that in the next few years Canada will become one of the greatest countries upon which the sun ever shone.

Mr. THOMAS McMILLAN (South Huron): Mr. Speaker, my first expression must be one of congratulation to the hon. Minister of Finance upon his tact and shrewdness in bringing down his budget within ten days after the reassembling of parliament. This shows that he, at least, has no desire to prolong the session to any undue length. I congratulate him also on the clear, concise and optimistic statement which he has presented to this House and to the country.

Mr. HOCKEN: And a stable tariff.

Mr. McMILLAN: We have heard a good deal about a stable tariff from across the way. Before I get through possibly my friends of the Progressive party may exclaim, "Why don't you come across here! We are the only Simon-pure representatives of agriculture in this country." Allow me to say, as I have often said, I do not believe any great political party can ever be successfully established and permanently maintained in this Dominion on any class or sectional foundation. And it is not in the public interest that it should be so. While farmers should organize and coöperate socially, economically and otherwise, as other classes do, yet, Sir, when we enter the political field I believe we should enter it as citizens of our country, rather than as members of any particular class. I may be told by my friends that they are not a party and have no intention of becoming a party; that they are only a group and believe in group government. Well, I am not going to discuss that matter at present further than to say if we cannot agree, we must agree to differ. I am not in favour of group government. Not because such a system may not contain men and women of probity, of wisdom and of character, but because I know—if I have read history aright, and if we are to be guided by

the teachings of history—that we have long since passed that stage in the onward march of human progress.

I may tell hon. gentlemen opposite when I hear them harping continually, for high and higher protection, that that is not the mandate which the electorate gave on September 14 last. We hear much respecting industry and as to what ought to be done to protect it. When we speak of industry I would ask you, Mr. Speaker, and through you the members of this House, to consider what is our greatest industry. Is it not the pursuit of agriculture? In the full sense of the term farmers are more than a class of our population; farming is more than an industry. The significance of agriculture in the life of this nation is far deeper than this. Employing as it does about one-third of our gainfully occupied population, it touches something really vital and fundamental in the national existence. It involves the national prosperity, the economic welfare, the racial character and the social progress of the Canadian people. We must as a people determine deliberately and wisely the role which we wish to have agriculture play in our national economic life. As city population has grown and its economic life has become centered in the factory, the office, the store, and the bank, public opinion has become somewhat urbanized and popular attention concentrated more and more upon problems of city industry, trade and finance. This has been so to the comparative neglect and the comparative detriment of the requirements of agriculture.

It has been said that as agriculture is the oldest of the arts, so it is one of the most recent of the sciences. A perfect agriculture is the true foundation of trade and commerce; the foundation of the riches of the state. It is more, it is the one great uncontaminated seed bed of our population. It is therefore the business of public men to see to it that agriculture receives just consideration at the hands of the governments of this country. You may ask me, wherein is agriculture not receiving economic justice? I refer you at once to a study of the customs tariff in which we find that at almost every convenient turn those engaged in other lines of industry are able to obtain their requirements either free or at the lowest possible rates of duty. That is right; we have no fault whatever to find with that provision. But why should agriculturists be deprived of this privilege which producers in various other industries are allowed to enjoy? Farming is largely a domestic industry in that it produces many of the requirements of the home. It is peculiarly situated in this country. While those engaged in other lines of industrial activity are enabled largely to buy wholesale and sell retail, the farmer in many instances is compelled to buy retail and sell wholesale, and the tariff does not do justice to him. Take agricultural implements, machinery, building materials, food, clothing and other household requirements: these comprise over 60 per cent of the entire cost of our agricultural life. It is to the credit of the government of the day that in regard to implements and machinery we have been enabled to get some of our requirements down so low that the tariff is no longer a great consideration in the price of these necessities. But, Sir, when we have some of the industries which are vital to the success of the country, such as those represented by my hon. friend from West Lambton (Mr. Goodison), down to from 6 to 10 per cent, and when men like Henry Ford are crying out and telling us that they would be satisfied with free trade, why should the people of Canada be compelled to submit to a tariff of from 25 to 35 per cent which bears down on the primary producers as well as upon the consumers? Why are such regulations so drawn? Mark you, this is not to be attributed to the government of the day; it is due to the fact that all through the years, to too great a degree, the favoured industries of the country have enjoyed a special privilege and have had the ear of the governments which have been in office from time to time. Why is it that these regulations are so drawn, I ask? Simply to benefit special industries at the expense of the primary producers and the great body of the country's consumers. If agriculture is ever to prosper as it should, and as I believe it can be made to prosper, this sort of thing must stop; if not, then the efforts of the Minister of Agriculture (Mr. Motherwell) and of the Minister of Immigration (Mr. Forke) in their respective departments will be futile. They may work their heads off for the comparative economic welfare of the farmer on the one hand, and for the retention of the people on the soil on the other, and it will be all of little avail. The great bulk of the people of Canada are beginning to realize this: they are no longer terrified by the bunk which we have heard all through the years from our high protectionist friends. Well may we pray, "Let in the light." And that is what this tariff board is doing. As the result of its investigation the light is beginning to shine to such a degree that it is piercing the true situation and exposing it.

Mr. CHAPLIN: It has not reached the government yet.

Mr. McMILLAN: It is, I say, exposing the situation, so much so that I believe in the near future there will be a general demand to have this economic evil hit and hit hard. It is a species of economic slavery which we have had to endure too long. My hon. friend (Mr. Chaplin) says that the light has not yet reached the government. Why does he make such a remark? Does he think that this government, in a year in which it has been making history, in a year in which liberalism has been doing things which will go down to posterity as constituting one of the brightest pages in our political life,—does he think that in the strenuous life of our honoured leader (Mr. Mackenzie King) and his first lieutenant, the government should be expected to turn its attention to player piano rolls, epsom salts, and blue foxes? That is the only inference possible from his remarks. When I said that this high tariff was a species of economic slavery, it calls to mind the resolution made by Abraham Lincoln when standing on the banks of the southern Mississippi and viewing the dreadful conditions of human slavery. He then made a vow that if he ever had the chance to hit that kind of thing he would hit it hard.

Mr. HOCKEN: But he was a protectionist.

Mr. McMILLAN: This tariff burden which was placed on the primary producers by our Conservative friends and their friends in the days gone by is the result, and should be done away with. We hear much talk of the condition of the people of the United States; I was rather glad to hear that mentioned this afternoon, because while agriculture in this country does not approach the condition of American agriculture which is largely due to the high tariff system of that country over a long period of years, yet we should do everything humanly possible to save Canadian agriculture from any such condition.

Last year I made some startling statements regarding American agriculture, so startling that in the interval I decided I would either substantiate them or make amends by withdrawing them this year. I hold in my hand the latest publication on the agricultural problem of the United States, issued in April, 1926, and published as the result of the findings of the National Industrial Conference Board of that country. In as few words as possible I would like to place the condition of American agriculture before this House, as it is recorded in this report. The American farm population in 1920 is placed at 31,614,000, in round figures; five years later, the Board of Agriculture places it at 30,655,000, or a decline of almost 1,000,000 in that period; during the same time the entire population of the United States increased by over 10,000,000. The personal indebtedness of American farmers has risen from one thousand million dollars in 1910 to 3,250 millions in 1925, including only bank indebtedness; in addition to this, the miscellaneous indebtedness of farm operators as of July, 1925 is put at an additional $500,000,000. During that same period, from 1920 to 1925, the entire capital invested in American agriculture, including land, implements, buildings and live stock, dropped from $79,607,000,000, to $59,154,000,000, while the total indebtedness including mortgage, bank and miscellaneous, remained at the figure of $12,250,000,000, or 20.7 per cent of the entire agricultural value, and it takes 6.2 per cent of the entire gross income of the American farmer to pay the interest. During these five years the interest charged upon the owner-operators' debt not only required 1.2 per cent more of the gross income, but his equity in his property declined from 47 billions to 32 billions; during the same time the owners of rented farms appear to have lost five and three-quarter billions of the equities in their property. The final result is that forty per cent of the land in the American republic is now in the hands of renters, a most unsatisfactory condition, while the other 60 per cent is mortgaged to over forty per cent of its value. Of young farmers twenty-five years of age and under only ten per cent own their own farms free from encumbrance.

Some hon. MEMBERS: Oh, oh.

Mr. McMILLAN: My friends laugh at that; that is what they think of agriculture, and that is the reason they have tried to laugh at it all during the years they were in power. More than that, when their friends were in power they continually tried to get more favours and then walked away in all their manhood and called this a scientific tariff. Of the farmers sixty-five years of age and over, only 64 per cent own their farms free from encumbrance. What are the reasons for this condition and for the wholesale desertion of American farms? Another interesting fact is that the per capita production of crops in the United States, which during 1910-14 stood at the index figure of 100, in 1921-25 dropped to 93.2, or a reduction of 6.8 per cent. The report presents figures to show that the real net annual earnings of American farmers in 1925 were 3 per cent below the level of 1914, while those engaged in other lines of employment earned 22 per cent more. In 1924-25, the most favourable year of the

five year period, the net earnings of the average farm operators, including owners and tenants, is placed at $804. This figure includes food, fuel and shelter, which the Department of Agriculture values at $634, leaving only $170 for other requirements. The report goes on further to say that the owner-farmer appears to have been in a less favourable position than the average; his net return was only $573, or less than the value of his food, fuel and shelter, in fact only about the amount they are paying their hired labour and less than one-half the amount earned by ordinary workers in other occupations. These figures are the most favourable that can be secured from the available data, and they go far to explain the exodus from United States farms since 1920 and the unrest of the American agricultural community. They show that the average owner operator is able to earn less than two per cent on his investment. He is receiving for labour and superintendence about the wages of the average office boy, less than one-half of the wages of railway workers and less than one-third of the wages of skilled mechanics such as plumbers and electricians. During the last fifteen years farm bankruptcies in that country have increased over 1,000 per cent. In spite of the much vaunted era of prosperity there which my hon. friend (Mr. McGibbon) told us about, the plight of the United States farmer is much as it was when the post-war depression set in. So serious is the situation that in the language of Mr. Evans Clark, writing in the New York Times:

> It constitutes a serious menace to the future economic welfare of the country. In the midst of an era of prosperity for trade and industry which has made the United States a croesus among nations, says the writer, the American farmer stands on the edge of bankruptcy, the bubble of his values burst. The manufacturers, the bankers, the railroad men, the mine owners of America, have reached a dizzy pinnacle of financial well-being. The industrial and transportation wage workers never had more money to spend. But the American farmer, one-third of the country's population, is worse off than he ever was before. Not only is be unable to make a decent living on the farm, but he cannot sell his property without serious financial loss. Farm failures have reached record breaking levels and the general collapse of agricultural values has brought down with it a growing number of banks in the middle west.

That is the history of United States farm conditions in a highly protected country, and I say again, as I said at the commencement of these figures, that while Canadian agriculture does not approach such a condition, it is the duty of every government to do everything possible to save it from any such calamity.

[Mr. McMillan.]

Mr. HOCKEN: Why are United States farmers protectionists?

Mr. McMILLAN: I am glad my hon. friend brought up that point. Just a few days ago the McNary-Haugen bill received its final reading in the United States Senate, setting apart amongst other things $250,000,000 to purchase the surplus of six staple farm products in that country in order to stabilize the price. It was carried by a majority of either seven or eight, about the same majority as it was defeated by last year.

Mr. HOCKEN: That does not answer my question.

Mr. McMILLAN: Just wait. Take your time. A few of the men who defeated the bill last year voted for it this year, and I believe in my heart there is method in their madness. They see a presidential election two years ahead, and feel that this is the last straw in the last effort of the high protectionists of that country to hand out a sop as a recompense for the miseries of the farmers as a result of the highly protective system in that country. If you are watching conditions throughout the United States republic you cannot say that the farmers of that country are strongly in favour of a high protective system. Although I happened to say to my desk-mate the other day that I believe the McNary-Haugen bill would be passed and it would be the last straw, the latest reports are that President Coolidge will refuse to sign it. I understand it has not come before him yet.

Mr. HOCKEN: Why is it that the farmers in the United States, suffering as my hon. friend says they are, because of protection, are not asking for free trade?

Mr. McMILLAN: Let my hon. friend take my word for this. I am neither a prophet nor the son of a prophet, but if in two years we do not see the most strenuous fight in the United States republic for a reduced tariff, I am very far mistaken; and that will show the wisdom of which they are possessed.

Mr. HOCKEN: That is a prophecy, not a fact.

Mr. McMILLAN: My hon. friend has often been in the habit of making prophecies and he has many times made prophecies that have not turned out true.

Mr. HOCKEN: Well, we are both in the same boat.

Mr. McMILLAN: It is now realized that the great requirement of this country is to get more people, and particularly to obtain

and retain more people on the soil. Our government insists that only agriculturists and domestics shall be encouraged to come to this country. To too great a degree under present conditions the farm has been only a roundabout way for them to get into the towns and cities. Do not think for one moment that it was the efforts of the Liberal government that sent the people of this country to the United States between 1878 and 1891.

Mr. HOCKEN: That is a long time ago.

Mr. McMILLAN: Yes, but that was when the trek started, as a result of high protection being put into force. One or two elections went by; but when the first ten-year period came between 1881 and 1891, what did it record? It recorded that although 860,000 people had come to this country as immigrants, only 36,000 of them remained, and that over and above that, 980,000 of our Canadians had found their homes across the line.

Mr. BIRD: Would the hon. gentleman go a little further in regard to the scope of the McNary-Haugen bill?

Mr. McMILLAN: Not at this time. Those figures are the result of a highly protective system, and when the people of this country began to realize what effect it had, in 1896 they consigned the Conservative government to the oblivion from which it should never have emerged. Even at the present time we are suffering from the effects of its having so emerged.

Mr. HOCKEN: Were things better under Sir Wilfrid Laurier?

Mr. McMILLAN: My hon. friend does not seem to realize that the period under the Laurier government was the golden period of development in this country, and that when Laurier went out of power in 1911 after fifteen years of rule he increased the ordinary expenditure of this country by less than $4,000,000 per annum, whereas the political friends of my hon. friend opposite had not been in power for three years before they had increased the ordinary expenditure by $37,500,000—to such a degree that even the press of their own party all over this country were crying out, "Extravagance! Extravagance!" That was even before the war. God help the administration during the war.

If the government and the people of this country can only cause the farm boy and people generally to realize that there is a sufficient margin of profit on the farm, you will not be able to keep the people off the farm; they will be falling over each other to get there. High protection will never keep them on the farm. High protection to too great a degree is what has taken them off the farm. It took the people off the American farms to the number of 479,000 in 1925 alone.

Mr. IRVINE: Why do you not lower the tariff then?

Mr. McMILLAN: This government, since it came into power in 1921, under the conditions it has had to face has done everything that any government could be expected to do along that line. It did everything it could to get us free access into the world's best market for our surplus agricultural production. True, we have not been able to secure satisfactory access to the American market, although that is to-day, and will continue to be, the world's best market for our agricultural production, but there is this satisfaction: we have at all events completed the first milestone by the establishment of the position, and the appointment of the Hon. Vincent Massey thereto, as representative of this government to the government of the United States. I believe I voice the sentiments of the great majority of the people of this country when I say that that was a wise appointment, like the appointment of the Hon. P. C. Larkin to the post of Canadian High Commissioner in London, and I believe the Hon. Vincent Massey will make a record for himself of which this country may well be proud. He has the opportunity, and more than that, he has a friendly government behind him to back him up in any efforts which he may make. We know that if Canada only had the benefit of freer trade relations with the United States it would be of wonderful assistance to the farmers of this country, not only to the live stock men, but to all sections of our country. While we defeated the reciprocity agreement in 1911, yet during that same year the American government put cattle on the free list with a nominal tax of one-quarter of a cent a pound on fresh beef, and that continued for eleven years. In 1915 they opened their markets to our Canadian cattle and to our fresh beef. As the result of free access into that great market our trade grew to such an extent that it reached a wonderful volume during the last two years, 1919 and 1920.

In 1919 we shipped 303,000 cattle, valued at $29,857,000; in 1920, 500,000 head, valued at $42,995,000. Compare those figures with our trade to the British market, of which we were all so proud. For the year ending March 31, 1926, we shipped to Britain 117,000

cattle, valued at $12,432,000. During that same year, in the face of the high tariff wall when it cost two cents a pound to get into the American market, we sent 290,000 cattle, valued at $17,813,000. If we had only been able to hold that market up to the present time it would have made a wonderful difference to the live stock farmers of Canada. Consider the prices—and these are taken from the official returns, the Canadian Monthly Bulletin of Agricultural Statistics. It shows that the prices in July, 1926, were as follows: Toronto, $7.96 per hundred pounds; Chicago, $10,13. Now I will just give you the spread during the different months: July, $2.17; August, $2.34; September, $3.57; October, $4.06; November, $5.52. I have not the figures for December. The figures for January, 1927, taken from the daily press, show a spread of from $4.50 to $5 per hundred pounds. In those five years, between 1915 and 1920, I was able to get in my own barnyard within fifty cents per hundred pounds of the highest quotations on the Chicago market. If we were able to get a spread of only $2 per hundred pounds, and it averages between $3 and $4, it would be a godsend to the live stock industry of Canada.

We are often told—we were told by the new leader of the opposition, in the debate on the address in December last—that the United State would not take from Canada her annually recurring agricultural crops. What are the facts? During the two months, October and November, 1926, the total export of our agricultural products over the high tariff wall of the United States amounted in value to $17,390,000, and for November and December, $24,000,000, even jumping over that high tariff wall. During the twelve months ending March 31, 1926, Canada exported to the United States agricultural and vegetable products, animal and animal products to the value of $129,000,000. During the same twelve months we imported from the United States $131,000,000 worth, showing a mutually beneficial trade. During the same twelve months our imports from the United States of a kind grown in Canada amounted to $65,000,000. During the same period our exports of farm products of the same kind to the United States amounted to $105,000,000. In other words, we exported $40,000,000 more than we imported. Of farm products of a kind not grown in Canada, during the financial year ending March 31, 1926—and these figures were put on Hansard yesterday—we imported from the United States $131,826,562. When such a business is done in the face of a high tariff wall we might well imagine what the trade would be if those handicaps were removed. In the face of such figures, when the hon. member talks about no trade and that they will not take any of our products, we do not take him seriously. I am sorry the hon. member has left the chamber, but I can well remember, and it is not so long ago, when the hon. gentleman came up to my own constituency and held forth in eloquent terms in favour of reciprocal relations with the American people, I can well remember also that at the close of that particular meeting he grew so enthusiastic over the argument which he considered that I as a humble citizen was able to put up, that he fairly pleaded with me to come down to his constituency and help him in his campaign. I went and he was elected, but it was Liberals who elected him then. It is Tories now. Since that time I have not changed my opinion regarding reciprocal trade relations with those two countries. Neither have I changed my opinion with respect to the principles of Liberalism, or as to the duty which Liberals owe to this young country. Therefore you will be surprised when I tell you that I was amazed to hear that on a more recent occasion he returned and told his audience that he could not understand what kind of conscience the member for Huron had when he would come down to Ottawa and support the Right Hon. W. L. Mackenzie King the way he was doing. Seeing it has become a matter of conscience, Mr. Speaker, the time is now ripe for a full and free confession, and if I might make a suggestion, we might possibly be able to bring in some sort of revival budget. The hon. member might inform us just how and why his radical change of mind and heart has come about.

I am sorry the hon. member for West Calgary (Mr. Bennett) is not in his seat, but hon. gentlemen will remember what he told us the other day, that we must not establish a channel of trade with the American people; they are our commercial enemies. What is the situation? The great advantage of more favourable trade relations with that country are so clear, so apparent, so self-evident, that it is a surprise that any reasonable individual would take any other stand. Let us analyse the conditions between these two countries. Here we are, two friendly nations, not commercial enemies but commercial friends.

Mr. GARLAND (Bow River): Hear, hear.

Mr. McMILLAN: Trade is not an enemy, but a friend. Here are two friendly nations, lying beside each other, with not a barrier, not a military obstruction over the

whole course of the boundary line. Nor is there any financial barrier between us. There is invested in this country upwards of $3,000,000,000 of American capital, which is flowing into Canada at the rate of $200,000,000 a year; we are told that upwards of $150,000,000 came in last year by way of American tourist traffic alone. And yet the hon. member for West Calgary tells us we must not establish a channel of communication in trade with the American people. In the face of the fact that out of an entire trade for the twelve months ended November, 1926, of $2,324,000,000, almost one-half, or $1,148,000,000, is done with our friends across the American boundary line. When that is the case, with two high tariff walls built up by these respective governments, what would be the situation if those walls were lowered to a very reasonable height? So that I feel it is the duty of this government, more particularly in view of the report of the maritime claims commission, which has urged the government to institute trade agreements with the American government in the matter of forest products from New Brunswick and fisheries products from Nova Scotia and the Atlantic coast, to include the whole farm products of Canada. It would not only be of benefit in live stock, but it would be a boon to the Canadian fruit and vegetable growers. It would be the means of solving the maritime problem overnight. The same benefit would accrue to British Columbia. It would break down one barrier to their success which is the absence of a sufficient market.

We know that Canadian fruit and vegetables are comparatively late in maturing. The market opens in cities like New York and Boston early in the season, with vegetables coming from Florida. As the months go by they are supplied from nearer sources. In June and July they are supplied from their own locality and there is no competition to speak of. The trade is complimentary rather than competitive. It would be the same if these economic restrictions were removed. Canada is in the situation of being able to produce better products, because we know it is a maxim in every country that the further north you can mature products the better their quality, and we would be able in the latter part of the season to supply the American market, which would give higher prices to our fruit and vegetable growers. The vegetable growers are now sending much more to the American market than we are bringing from that country, so that I say it would be a benefit all round.

Mr. GOTT: I ask the hon. member his authority for the statement that the Canadian farmer is sending more goods to the United States than we are importing from the United States?

Mr. McMILLAN: The following are the figures for the year ending March 31, 1926: On fresh vegetables the imports from the United States were $3,815,159 and the exports were $6,193,518. With respect, not only to fruit and vegetables but also live stock we should have free access to that market, and if a democratic president were elected in the American republic the door would be open to us. With a Conservative government, we could not expect the door to be open to us for the establishing of favourable trade relations from which this country would benefit. We cannot reasonably expect that a Conservative government would really consider the true interests of Canadian agriculture. Conservative governments and leaders of the Conservative party in the past have never shown any pronounced desire to take care of the basic industry of agriculture. They have always been too busy looking after their friends, the representatives of the big interests, and on each recurring appeal to the electorate they counted on the lack of interest and of information among the people and the heat of party feeling to tide them over. That day has gone by. They can no longer terrify the electors with their high-protectionist arguments. Our people are beginning to think for themselves, and they feel as they expressed themselves on September 14 last, that so long as the Liberal party manifests a real, live, vigorous, progressive policy, this young country cannot afford to drop back under Conservative domination.

The Liberal party was returned to power at the recent general election for two reasons. First, because the people know that the Liberal party has as its leader one who is a real friend of the common people, a leader who in the face of all the epithet, slander and falsehood which was hurled against him and his brilliant leading lieutenant was able to conduct his compaign and place the public issues before the country in such a convincing and masterly way as not only to arrest the attention but to command the confidence and support of the electorate. Secondly, the Liberal party was returned to power because during its brief regime in the last parliament it did not forget the primary producers and

the general consumers—the men and women who do not importune tariff boards and ministers with deputations, not because they are not vitally interested, but because in the general nature of affairs they cannot afford to do that kind of thing; it must be done for them. I am satisfied from the record of the past that I voice the feeling of the government of the day when I say they are entitled, more particularly after two years of such strenuous conditions, to receive reasonable consideration, and in due time when the information can be presented the government will carry out the mandate given by the people last September. The golden opportunity for the government to act has come.

The Dominion enjoys comparatively good times. This is the only occasion when tariff adjustments can be properly made, and if that is done—as I believe it will be—agriculture will be given simple justice under our tariff laws. Agriculture asks no favours, it asks no protection. All it wants is a fair field and no favour, and if given that the cost of production of the necessaries of life will be substantially reduced, the purchasing power of the people will be correspondingly enlarged, and as a consequence they will enjoy a degree of prosperity such as they have never experienced.

Now I have under my hand the information which the hon. member for South Essex (Mr. Gott) asked me for:

Total value of exports to the United States of Farm Products such as are produced on Canadian Farms

1924	1925	1926
$83,000,000	$76,000,000	$105,000,000

Total Imports of these Products from the United States

1924	1925	1926
$63,000,000	$57,000,000	$61,000,000

Favourable Canadian Balance of Trade

1924	1925	1926
$19,000,000	$18,000,000	$43,000,000

I have given the round figures. But I think this is not entirely the question which the hon. gentleman asked. He inquired particularly about vegetable products, did he not?

Mr. GOTT: That is what the hon. gentleman was speaking of. I hold in my hand a return in reference to that, which is the reason why I put my question.

Mr. McMILLAN: For vegetables?

Mr. GOTT: All kinds of farm products.

Mr. McMILLAN: These figures relate to all kinds and are already on Hansard. The information was given to-day.

[Mr. McMillan.]

In conclusion, Mr. Speaker, allow me to say that I believe the Liberal government will in the future as it has in the past do its duty not only to the great producing classes of this country and to the general consumers, but also will endeavour in so far as possible to do justice to all sections of the people.

Mr. H. E. SPENCER (Battle River): Mr. Speaker, when I came into the House I was interested to hear the hon. member who has just taken his seat (Mr. McMillan) make some criticisms of group organization. His remarks, I believe, were pointed towards the group to which I have the honour to belong. His speech has been made very largely, if not entirely, in support of the agricultural interests of Canada. He no doubt has the honour of representing an agricultural constituency, and therefore he is absolutely in order in taking that stand. That is also the stand we take; we believe in representing the viewpoint of our respective constituencies. But he criticises the stand we take in regard to our organization. I do not suppose there has been presented to this House since 1921 a budget that will give as little relief to the agricultural interests as this particular budget does. That being so, I cannot imagine how the hon. member will be able to stand in his place—probably to-morrow night—and support this budget. Yet when the vote comes I have not the slightest doubt that he will do so.

Mr. McMILLAN: There is no question of it. If I did not make it clear enough I want to do so now.

Mr. SPENCER: If the hon. gentleman, whom I hold in the highest esteem, cares to come across to this side we will at least give him his freedom.

The budget, Mr. Speaker, is one over which there will be very little controversy as far as the two larger groups in this House are concerned, mainly because it is a very conservative budget and naturally will be supported by the members of the group holding that name. It is not a liberal budget, with a small "l", and yet no doubt it will be supported by every single member to your right, Sir, because it reflects the government's policy. I wish, however, to congratulate the Minister of Finance (Mr. Robb) on the very businesslike and concise way in which he presented the budget to the House. As the hon. member for Macleod (Mr. Coote) remarked the other day, however, the budget probably was a little too concise as there were many things that should have been mentioned in it which were not referred to at all. The

minister is to be congratulated upon being in office at a time when Canadian trade happens to be on the upward trend. I say that, because I contend that governments have very little to do with trade; trade will boom or be depressed irrespective of the government which is in power. I was glad to see that the Minister of Trade and Commerce (Mr. Malcolm) made a similar statement the other day. This would not be the case, however, if the government exercised its prerogative in regard to our monetary system.

I want to refer for a moment to the Finance Act of 1923, section 2 of which reads:

> The Minister of Finance may make advances to the chartered banks, and to the savings banks, to which the Quebec Savings Bank Act of 1913 applies, by the issue of Dominion notes upon the pledge of securities hereinafter mentioned:
>
> (a) Treasury bills, bonds, debentures, or stocks of the Dominion government, the United Kingdom, any province of Canada, and of any British possession.

And so forth. This discounting by the Canadian banks is carried on to-day to such an extent that the banks have discounted securities through the Treasury board since July 1 last to the amount of $123,850,000. For these services the government makes a charge of 4½ per cent. You will notice that some of the securities that can be lodged with the Treasury board are treasury bills, bonds, debentures or stocks of the Dominion of Canada. If the Treasury board can discount these securities for private institutions, the Canadian banks, why cannot they do the same for the Dominion?

I am one of a growing number who believe that inasmuch as the government has supreme power over all assets of the country on which credit or money is based it should be its own banker. The government should loan and not borrow. In other words, we should be master in our own house. At present we do not exercise that function.

The Minister of Finance early in his remarks on the budget mentioned the fact that money was plentiful. That being so, and in view of the fact that we have been fortunate enough to have a surplus, I should like to submit certain suggestions to the government with regard to federal assistance of highways. This is of particular interest to the province of Alberta for various reasons. We have as you know, a big development in southern Alberta in the oil field, in regard to which I have a few particulars, which, because of their importance I should like to bring to the attention of the government and of the House. I refer to the case of the Turner Valley oil field which is situated twenty miles west of Okotoks, which is the nearest point on the railway. Over two years ago, what is known as the Royalite well No. 4 was brought in with such a high pressure of wet gas that the well could not be capped. This well has been producing ever since, averaging nearly 600 barrels of naphtha per day. At that time all this naphtha had to be handled in steel drums and hauled over a country road twenty miles to Okotoks. The mineral rights in Alberta are not taxable owing to the fact that the federal government about three years ago disallowed the Alberta Mineral Tax Act. I want the government to note this particularly, because it was through the action of this House that the province of Alberta was prevented from securing a revenue in this direction. I would remind the House therefore of the expenditures that have been forced upon that province.

The assessment roll of the rural municipality in which this district is situated was not increased by a dollar as a result of this oil discovery, although there was immediately thrust upon the municipality the burden of keeping this road in repair. Not only was this quantity of oil hauled out, but all the material for about fifty new oil derricks and well drilling rigs had to be hauled over this road. When application was made to the federal government for assistance for this municipality, their reply was to this effect:

> The building and maintenance of provincial highways is altogether the responsibility of the provincial government. The granting of federal assistance in any one case would create a precedent that would be bound to prove embarrassing and costly.

The provincial government received no revenue from this oil discovery and yet they had finally to come to the assistance of the municipality. I would call the attention of the government to the fact that we have great prospects of a similar oil industry being developed in the constituency of Battle River north of Wainwright and Ribstone, which industry in a very few years will, we trust, attain equal proportions. We shall then be faced with exactly the same problem of this huge cost of road making.

The Canada Highways Act was passed in 1919 for the following purposes: (1) To encourage the construction and improvement of highways; (2) it provided for the payment of grants to the provinces to an amount of $20,000,000 over a period of five years; (3) it was extended to 1927. The sums paid or authorized to be paid totalled $18,429,107.73, of which Alberta received $625,959.94. Alberta, Saskatchewan, Manitoba, and I believe, one

other province, have still some funds available from the $20,000,000, provided it is earned before the act expires on March 1, 1928.

There should be an amendment to the act to provide for the continuance of highways construction, and I sincerely hope that the government will give their favourable consideration to this matter, because it means a great deal to the province to which I have the honour to belong.

There are other reasons why the grant should be given to the provinces. Many of the parks are situated in Alberta and it is necessary to have good roads leading to them; and inasmuch as the federal government has the absolute right to send new settlers in great numbers to the provinces, very often settling them in localities where there are no good travelling roads, the provincial government is forced to assume a liability in connection with road construction notwithstanding that they have no say with regard to federal immigration.

Referring back for a moment to the statement of the Minister of Finance that money was plentiful, I wondered at the time what was his impression of money, because the opinions of people vary a good deal on the meaning of that word. I would quote a well-known authority on that question in the person of Right Hon. Reginald McKenna, Ex-Chancellor of the Exchequer of Great Britain. He says:

> The amount of money in existence varies annually with the action of the banks in increasing or diminishing deposits. We know how this is effected: Every bank loan creates a deposit, and every re-payment of a bank loan destroys one.

Again in this connection I would quote from Elements of Banking, by H. D. MacLeod, where the following language appears:

> The essential and distinctive feature of a "bank" and "a banker" is to issue credit payable on demand, and this credit may be put into circulation—and serve as money.

Another equally good statement by the same author is as follows:

> When it is said that a great London joint stock bank has perhaps £25,000,000 of deposits, it is almost universally believed that it has £25,000,000 of actual money to lend out, as it is erroneously called. . . . It is a complete and entire delusion. These "deposits" are not "deposits" in cash at all; they are nothing but an enormous superstructure of credit.

Money should be a means of exchange, or good's tickets, to enable goods to be transferred from the producer to the consumer. Unfortunately to-day money is looked upon as a commodity, and those who are in control of it necessarily find it worth while to make that commodity scarce, because in that way it brings more profits to them. I might further quote from Henry Ford's My Life and Work, wherein he says:

> The poverty of the world is seldom caused by a lack of goods, but by a money stringency.

That is something we must recognize to-day; the problem of production is solved, and the problem now before us is one of consumption.

I was very glad to hear some of the suggestions made by the hon. member for West Calgary (Mr. Bennett) with regard to refunding our national debt, and I was pleased to see in the daily paper the next day the following statement, with which I fully agree:

> The plan submitted by Mr. Bennett would have many advantages. It would help to save Canada from passing into the hands of foreign money lenders. Conversion loans would be arranged in Canada instead of in New York. Intelligent use would be made of the Treasury board. Purchasing power would be retained in Canada, instead of being shipped abroad as interest payments. It would relieve the government of paying heavy commissions to private dealers in financial credit. As much as $2,500,000,000 is taken as commission on a loan of $100,000,000.

If the minister does not care to give consideration to what he may consider a radical suggestion, from a Conservative member, I hope he will at least study the very orthodox recommendation brought forward by the hon. member for Macleod (Mr. Coote), which I have advocated in this House on more than one occasion. His suggestion was that we should increase the number of our post office savings branches throughout the Dominion and pay say from 3½ per cent to 4 per cent interest; in that way I am absolutely sure that with the guarantee the people know to be behind the savings collected by the Post Office Department, he would get all the money necessary to meet his coming obligations.

Needless to say, Mr. Speaker, all Canadians will be pleased to learn that we are making a start in the reduction of our national debt. We are told by the Minister of Finance that during the last four years we have been able to make a reduction of $95,000,000, and I believe this will also cover the last six years because if I remember correctly there was a deficit in the two former years. If these figures are correct, with our national debt of some $2,500,000,000, we may look forward to the day 150 years from now when that debt will be wiped off! With regard to the customs duties, I notice that last year they amounted to some

$14,000,000 more than the year before. Such an increase will not be appreciated by those who realize that an increase in the customs duties is an increase in the cost of living. This will be felt particularly by the family men who are handicapped by the extra they have to pay for the housing, clothing and food of their families. I particularly regret, also, that no reduction in the tariff has been suggested or recommended by the minister in the present budget. I had hoped that he would make some reductions in the necessities such as footwear, clothing, and kitchen utensils, but this has not been done. For whatever the tariff may be, it is a license to steal to that extent, and in saying that I am using no stronger language than was used by Sir Wilfrid Laurier in dealing with the same subject.

All I have to say with regard to the stamp tax is that I appreciate very much the elimination of the tax on overdrafts, which was a tax on debt. But in reducing to two cents the stamp tax on cheques over $10 the minister has released the moneyed man who makes his cheques for very large amounts, which is a very direct benefit to those who can better afford to pay such taxes. I appreciate the cut in the sales tax, however; that is something which should help a little in reducing the cost of living. Probably the greatest criticism I would make is to deprecate a tendency on the part of the Minister of Finance to favour indirect taxation as against direct taxation. This is the more surprising because I surmise that the majority of the members on the government side of the House owe their seats to the fact that the people of this country expected further cuts in the tariff. In view of the fact that the income tax as it formerly was, did not penalize men of small incomes or wage earners, the cut made will directly benefit those people who can afford to pay such a tax. This cut means that the revenue will be reduced and the deficiency will have to be made up from those people who cannot well afford to meet the amount.

The minister reminded the House that under the revaluation of live stock, et cetera, to the soldier settlers, we had to meet the amount of $2,900,000. I am not complaining of that. I think further cuts will have to be made. But I would like to point out the fallacy of the whole scheme. In my opinion it was not a soldier settlement scheme, it was a land settlement scheme. So little did those who promoted the scheme in the first place realize the economic conditions of the farmer that they encouraged a number of soldiers to go on the land to their detriment. This scheme is going to be a tremendous loss to the country before we are finished with it. Certain rebates have been made; certain others will have to be considered. I am making no comments on that because I know the condition of the soldier farmers; but if it was not a land settlement scheme, I want to ask: Why were the rest of the soldiers who preferred to go into some other kind of business not given some help in a financial way?

With regard to tax-free bonds that the minister informed the House were coming due to the extent of $63,000,000 and which he said he would have to renew this year, he did not tell the House whether he intended to renew these exempt from taxation or whether they would be taxed.

Mr. ROBB: The policy is that bond issues will be taxable.

Mr. SPENCER: I am glad to hear the minister make that statement. I was also pleased to hear the minister's observation in connection with the statement that had been offered to the public, regarding governor general's warrants, and that there was in this way no saving in government financing.

I have heard some criticism from our friends to the right of the fact that our imports have increased at a greater rate than our exports. In my opinion that is nothing to be worried about. Imports, when all is said and done, are payments for our exports. The fact that we have $228,000,000 of a favourable balance means, if I understand it, that we owe large amounts in interest, etc., to other countries. Some hon. members would encourage exports to get rid of our goods. Others would bring in settlers to consume our surplus goods. Neither of these schemes is essentially correct. If the present population had the proper consuming power which, I hope, some day it will be made possible for it to have, we could, in this country, as we are, consume huge quantities more than we can purchase at the present time.

We were told that some fifty-two cases had been brought before the tariff board. The minister, however, did not say how many of those cases were asking for a higher tariff and how many for a lower tariff, or whether they were all asking for a higher tariff. He also did not tell us whether the criticisms were so great against an increase in the tariff that the government had seen fit not to grant it. At the same time we would like to know why there is not some reduction in the tariff.

Towards the end of his speech the minister referred to the fact, as he understood it, that "Canada to-day was enjoying wholesale

prosperity." I only wish I could agree with him in this respect; but any one who has his hand upon the pulse of the great agricultural industry knows full well that this is, to say the least, a very exaggerated statement. A like criticism might be made of the use of another expression, namely "that all traces of depression have disappeared". Again I would say: If you want to see a contradiction of that you have only to look at agriculture. You have only to look at the efforts we have been making for the last six years to bring people into this country and settle them on the land. From 1922 to 1925 we spent no less than $11,200,000 in endeavouring to people the land, with the result that in those four years we actually lost some of our population. We lost all the settlers who came in and a certain percentage besides. That in my opinion is a proof that what the minister says, namely, "that all traces of depression have disappeared," cannot be true. We have to do more than just make flowery statements in budget speeches to bring agriculture back to the standard where it belongs. Everybody in this House knows that if agriculture were placed on a paying footing there would be no need to spend a single dollar on immigration to bring people to this country, because you could hardly keep them out. Everybody knows that if agriculture were on a paying basis, every other industry would also be successful. Therefore I am sorry that this budget does not give more relief to that great industry.

In looking over the balance sheet that the Minister of Finance placed on Hansard, I was particularly drawn to the one entitled "Principal expenditure attributable to the war." It reads:

Interest on public debt—

I would like to emphasize the fact that this is interest and not principal.

Interest on public debt (increase over 1914)	$116,607,000
War pensions	36,650,000
Soldiers' civil re-establishment	7,200,000
Soldier land settlemant (administration)	1,300,000
Imperial War Graves Commission.	810,000
Battlefields memorials	200,000
Adjustment of war claims	155,000
	$162,922,000

Or more than 45 per cent of our annual expenditure. I think every hon. member is against war from a humanitarian point of view, but here is an economic reason why we should do every single thing we can to remove the causes of war. When it costs a young country, with a small population such as Canada has, the huge sum of more than $162,000,000 a year for the last war alone, let alone previous wars, it is about time we faced this problem in earnest and endeavoured to find out the real causes of war and to eliminate them.

The hon. member for Macleod, before taking his seat, moved an amendment to the budget, in which he regretted—

—that the budget as presented by the hon Minister of Finance contains no effective provision for the reduction in the high cost of living in so far as such is due to the protective tariff.

I think he was perfectly justified in making that statement, because if there was one thing more than another that helped to elect this government it was the expectation that they would reduce the tariff. He says further:

That the budget shows a further departure from the principle of direct and visible taxation based on the ability to pay.

I think that statement is more than justified. With the huge war debt that we have and the slow rate at which it is being eliminated, the one tax that should be kept on is the income tax. Several hon. members have said that the war was paid for as it proceeded. It was to this extent, that the cost of the war eventually found its way into the pockets of a very small minority of the people of this country. That wealth should be taxed to-day to help pay for the war. It should not be allowed to be passed on from generation to generation, with accrued interest, when the wealth is there for us to tax. The amendment continues:

And further that no systematic effort is being made to reduce our national debt, the interest on which absorbs so large a proportion of the revenues of the Dominion.

I am very glad to see that clause put in the amendment. We have not faced our liabilities represented by our national debt as any commercial institution would be expected to face its debts, and I say that we should make a definite start to pay off this debt. We are probably not agreed on the various methods by which the debt might be reduced, but at the same time I would like to see the government make a start and bring down any recommendations they like, which could be discussed in this House, and as a result of our deliberations we should no doubt be able to find some means of making a proper start to reduce this great liability. I shall therefore take pleasure in supporting the amendment.

Mr. FINLAY MacDONALD (Cape Breton South): Mr. Speaker, I shall take up the time of the House but a very few minutes; in fact, I would not have taken up any time at all were it for the belief that we in the maritime provinces might be considered as approving this budget if we allowed it to pass in silence.

We have before this parliament the Duncan report, which we in the maritime provinces regard as a maritime bill of rights. It is the most important document from our point of view that has ever been laid before this parliament. It contains a number of recommendations, some of which must be fulfilled by tariff legislation. One recommendation in particular has reference to an industry in the constituency which I have the honour to represent, and that recommendation, if implemented at all, will have to be implemented by tariff legislation. The Duncan report will come up for special discussion after we have closed this budget debate, and therefore I do not propose to discuss the report at any length now. I wish simply to refer to one recommendation in that report that should be implemented in the budget if the government of the day honestly desire to carry out these recommendations.

The recommendation to which I refer is found on page 37 of the Duncan report, and has reference to steel and the customs tariff. It says:

> It was submitted that the tendency of the tariff, as affected by successive alterations, has been to lessen the protection upon the primary products of iron and steel and to encourage their importation from other countries as being the raw materials of iron and steel-fabricating and finishing industries in Canada.
>
> In respect of this matter, we do not conceive it to be our duty to express any opinion, since the question is, as we were informed by the chairman of the Tariff Advisory Board, who met us at our request, at the present moment under the consideration of that board. But we do regard it as our duty to record that the significance of this industry to the maritime provinces was forcibly brought home to us, not only in the manufacturing towns we visited in the maritimes, but also throughout the agricultural districts of the maritimes. We record this in order to emphasize the need for prompt action.

I call the attention of the government to those words—"prompt action." There are a number of other recommendations in that report that will require considerable time if they are to be brought into force as they should be, and we are not unreasonable in that respect. There are a lot of matters brought up in the report that will repuire to be discussed in the House, and as a result some legislation may have to be brought in this session, but there is none of the same urgency as this question of a tariff on steel. The matter has been before the tariff board. I think we are all agreed on the wisdom of having a tariff board, but if the tariff board is to serve simply as a wall behind which the government of the day can hide itself, if it is to serve simply as an excuse for the government taking no action at all, the tariff board is not going to serve the purpose for which it was created.

Mr. YOUNG (Weyburn): Has the hearing been completed before the board?

Mr. MacDONALD (Cape Breton): If it has not, it should have been completed. There has been ample opportunity to have the hearing completed. That is the point I am making. The urgency of the case calls for an early hearing and an early determination. This concern down there is on the brink of bankruptcy, and it is bound to go into bankruptcy unless it gets some tariff protection. It is now in the hands of the trustees for the bondholders, who have been carrying the industry on for the last eight or nine months, hoping from day to day that some assurance would be given that they would get from this government what the industry has been seeking, some reasonable protection in the Canadian market. The matter was brought to the attention of the government last year and again this year, and the board have had ample opportunity to gain all the knowledge that was necessary—if it was necessary to relegate this matter to the tariff board at all. That is the only recommendation in this report that I intend taking up at this time, because the report will come up later for discussion. The question now is this: Is the government going to do anything to save this industry or not? If it waits another year it will be too late, and that is the reason why I say this question is urgent now, if the government of the day intend to act on this recommendation and not let the industry go down. They must remember that this is the only industry of the kind that draws all its raw materials from a purely British source. All other industries in Canada of a similar kind draw their materials from outside sources, either from the United States or from countries outside of Canada and the empire. This concern in the event of war or anything of that kind, is purely within the British Empire and can be depended upon. It is an imperial necessity. I am not going to enlarge on the matter at all. As one of the members from the maritime provinces, I simply express my disappointment at the budget. The budget may be very good in some respects; I have

not the least doubt that it is, but from a maritime viewpoint it is a distinct disappointment, and I for one will raise my protest against it.

Mr. H. B. ADSHEAD (East Calgary): Mr. Speaker, the question of the budget and various other matters have been discussed almost ad nauseam during the course of this debate, and I do not intend to take up the time of the House at any considerable length. I propose, however, to review briefly the addresses that have been given by two or three hon. members as they relate to our policy and to the questions on which I was elected, and as they relate to the Liberal and Conservative policies.

I was elected myself on a policy of low tariff. On account of my platform the Liberals in the constituency that I contested refrained from putting a man in the field, because they believed I would be true to what I had stated and that as a member of this House I would support a low tariff. I was amazed, Sir, when I listened to the speech of the hon. member for Quebec-Montmorency (Mr. Lavigueur). He said he was a protectionist, and that not only was he a protectionist but that all of his party in the province of Quebec were protectionists. That statement is in Hansard to-day, and as I listened to it I wondered what Sir Richard Cartwright would have said upon hearing a statement of that kind. I came to this country when I was fifteen years of age. I heard public addresses by Sir John A. Macdonald and Sir Richard Cartwright, and my hon. friend from Toronto West Centre (Mr. Hocken) will know that I am one of the "imported" kind; I am not what he would term a real Canadian. I happen to have done fairly well in this country but I do not assume self-righteousness and say that I am better than other men. However, I wonder what Sir Richard Cartwright would have thought upon hearing a speech of that sort coming from a Liberal member? What would Edward Blake or Sir Wilfrid Laurier have thought of it? I wonder what Doctor Michael Clark, whose funeral I attended last year, would have thought of a statement from the Liberal side of the House that the hon. member and his colleagues of Quebec were protectionists, and not low tariff men? Well, if the Liberals want to stick to their policy they must follow the principles laid down by Sir Richard Cartwright, or they must come over and join the Conservative party. One thing in the speech of the hon. member reminded me of what took place a few years ago. I know now exactly what happened to Sir Wilfrid Laurier in 1911. At that time there were numbers of members in the Liberal party who were high protectionists, and when Sir Wilfrid attempted to put in force the principles for which he stood so long, they deserted him and crucified him on the cross of protection.

Mr. LAPOINTE: My hon. friend is making a sad mistake.

Mr. ADSHEAD: In what way?

Mr. LAPOINTE: In making the assumption he has.

Mr. ADSHEAD: What is the assumption? I do not wish to assume anything.

Mr. LAPOINTE: That some of the members from the province of Quebec were elected in 1911 against the policy of Sir Wilfrid Laurier in reference to reciprocity. It was not the point at issue at all in that province.

Mr. ADSHEAD: I made the statement that when I heard the speech of the hon. member for Quebec-Montmorency I knew the reason for the defeat of Sir Wilfrid, and it was just this; that there were inside the Liberal party, men who were strong protectionists as well as low tariff men, and the strong protectionists defeated him. Their policy was high protection and they left him when he tried to put into effect the policy for which the Liberal party had stood for so long. So far as I am concerned I stand by the low tariff policy, and I hope my friends on the other side of the House also will stand by their colours and support it.

The effect of the low tariff policy in the west was very clearly seen last year. Throughout the length and breadth of the province of Alberta there were no Liberal speakers who did not advocate a low tariff policy, amounting almost to free trade. I do not know what my hon. friend from Quebec did, but I think he must have advocated a high tariff policy, because he is a protectionist. There is an old maxim that you cannot run with the hares and hunt with the hounds. It is also said that you cannot serve God and mammon. You must either redeem the promises which have been made and become a low tariff man, or ally yourself with the side which advocates a high tariff policy. The west stands for a low tariff policy, and last year when the government announced a reduction in the duty on motor cars, it was largely due to my hon. friend from Macleod

(Mr. Coote). Last September I happened to stray into an automobile shop and talk to the proprietor. Looking over his files I got two letters which were not written with a political object in view. I will put them on Hansard if the House will permit me. The first letter reads as follows:

To Chevrolet Dealers:—

Owing to existing conditions caused by the tariff reduction proposals on finished cars in the recent budget, the following new retail delivery prices will apply for Chevrolet cars in your territory, at the opening of business April 16th, 1926, and including all charges, taxes, full Canadian catalogue equipment, motorstat, dealers handling charge, full tank of gazoline and freight to your territory:

Model	Retail Delivery Price Your Territory
Roadster	$ 844
Touring	844
Coupe	1,058
Coach	1,058
Sedan	1,178
Landau Sedan	1,238
Commercial Chassis	664
Utility Express Chassis	924

Dealers will be protected as per contract on new undelivered cars in stock, not demonstrators, as of the close of business April 15th, 1926. Complete new price lists showing billing prices, etc., together with affidavit forms covering such stock will be forwarded within the course of a few days time.

That was not written with any idea of an election; it had nothing at all to do with an election. It should satisfy my friends on this side of the House that a reduction of the tariff means a reduction of the price, and that as you increase the tariff you increase your price. The prophecy was made at that time that we were going to ruin the automobile industry. The hon. member for West Calgary (Mr. Bennett) repeated the statement time and again, and said that he had seen four thousand men out of work. I suppose they were the men who came here protesting against the reduction of the tariff on automobiles. Later on this same gentleman got another letter, as follows:

Dear Sirs,

We received yours of the 28th ult. in connection with your order for carload of Chevrolet cars.

Beg to advise that we are doing everything in our power to hurry along your shipment of cars but so far have not been successful, although expect same will be shipped any day. We appreciate very much that our dealers are losing a certain amount of business this year but you are no doubt aware our factory is operating at capacity at the present time and during the past few weeks we have not been able to keep up with our orders, however, we hope that within the next week or ten days to get entirely caught up with our shipments and you may rest assured we will do everything in our power to rush this load along to you.

That should be sufficient evidence, Mr. Speaker, of the fact that when you lower the tariff you lower the price and you increase the purchasing power of the people; and increasing the purchasing power results in greater sales, and business in that particular industry is stimulated all along the line. That applies to other things exactly in the same way.

With regard to the income tax, the 10 per cent straight reduction affords the greatest relief to those who are most able to bear the tax and the least relief to those who are least able to pay. In other words, it is a direct inversion of the true principle of taxation—that the tax burden should be in proportion to the ability to pay.

With the permission of the House I will place the following statement on Hansard:

Federal Budget 1927

Who will benefit by the reduction in the income tax rate of ten per cent? Mr. P. H. Veale, assessment commissioner of the city of Ottawa, made public a report of income taxes paid in Ottawa for the year 1926. This was pubished in the Ottawa Journal of January 25, 1927. The following table is taken from the report:—

Amount of assessable income	Number of of income tax payers	Average assessable income of each class
1	2	3
Under $1,000	4,972	$ 354
$ 1,000 to $2,000	975	1,398
2,000 to 3,000	399	2,454
3,000 to 4,000	202	3,471
4,000 to 5,000	99	4,016
5,000 to 10,000	216	6,761
10,000 to 15,000	60	12,383
15,000 to 20,000	29	17,384
20,000 to 25,000	19	22,430
25,000 to 30,000	10	29,821
30,000 to 35,000	6	31,809
35,000 to 40,000	3	36,396
40,000 to 45,000	3	42,933
45,000 to 50,000	1	45,870
Over $50,000	20	132,426
	7,013	

It will be noted that 20 taxpayers pay on an average income of $132,426 and Mr. Veale remarks:—"It will also be noticed that 4,972 income taxpayers equal 14 per cent of the total income assessment, while 20 income taxpayers equal 23 per cent of the total income assessment." He might have added that there are thousands who have not enough income to qualify them to pay income tax and they get no relief as there is no reduction in the tariff.

According to the last Income War Tax Amending Act chap. 10, 1926, an income of $130,000 is assessed at the rate of 40 per cent or $52,000. 10 per cent reduction on $52,000 is $5,200. This answers the query as to who will benefit by the reduction in the income tax rate of 10 per cent.

Number of income tax payers	Percentage of all income tax payers	Amount of assessed income	Percentage of all assessed income
1	2	3	4
4,972	70.8	1,760,088	14.
1,674	23.9	3,437,451	29.
216	3.1	1,460,376	13.
131	1.9	2,446,207	21.
20	0.3	2,648,520	23.
7,013	100.%	11,752,642	100.%

There are over 36,000 wage earners, male and female, in the city of Ottawa. Of these only 7,013 have sufficient income to qualify them to pay income tax. Thus 28,987—or 80.52 per cent—of Ottawa wage earners are not living but merely existing on a pittance.

My hon. friend from Quebec-Montmorency (Mr. Lavigueur) said, if I remember correctly, that he would do away with the Civil Service Commission and return to the old discredited system of political patronage, under which he and other members would have in their hands the appointing of postmasters and other civil servants. Speaking as a labour man, I say that my party will support the continuance of the Civil Service Commission and endeavour to have all civil servants kept free from political interference and rewarded on merit alone.

Let me refer for a couple of minutes to what the hon. member for Nanaimo (Mr. Dickie) said yesterday. After expressing his confidence that the men of the prairies appreciate the fact that they are Canadians, he continued:

> There is no reason why, even if those gentlemen are penalized because of our protective tariff, we cannot repay them in some other way by subventions or by lowering railway rates.

I want to tell the hon. gentleman that we do not desire any subventions or freight rate reductions in repayment of the penalties we are subjected to by the tariff. We simply want our own particular rights.

Mr. DICKIE: Don't you care for the rights of the rest of Canada at all?

Mr. ADSHEAD: You acknowledged that the west was penalized. I say you shall not sit on our backs.

Mr. DICKIE: You will penalize the east?

Mr. ADSHEAD: We do not wish to penalize any section of the country. All we ask for is fair treatment and no favours. We are going to see that these penalizing effects are removed, and then we shall be able to pay our freight rates. We do not ask for charity from anybody. That is the view of the west. My hon. friend said that he knew of some shanty men who were good Canadians, who could scale the walls of Troy before breakfast, throw Paris and Hector into the ash can, and send Helen back to her folks on the farm, and that they could put up a good stiff fight if they only had a couple of glasses of whiskey in them. So far as we in the west are concerned, we are good Canadians and we are going to put up a good stiff fight for our rights, for the removal of tariff duties, and we shall not need a couple of glasses of whiskey to do it either.

Mr. BELL (Hamilton): Would you like it, though?

Mr. ADSHEAD: Well, I do not need a couple of glasses of whiskey anyway. The hon. member for Weyburn (Mr. Young) in the course of his speech yesterday commented upon the amendment and said he did not agree with it. Well, Mr. Speaker, I want to say to him that we in this quarter of the House will uphold him in everything else he said yesterday. He asked that the tariff board have a Hansard report of its proceedings. He asked that all the information given to that board be laid before every member of this House. When my friend from Winnipeg North Centre (Mr. Woodsworth) asked the hon. Minister of Finance for reports of the evidence that was given—not only copies of the briefs submitted by the manufacturers who wanted more protection, but reports of all the evidence submitted for and against their applications, the minister said that it would be too costly to have the proceedings reported fully, and that if my hon. friend wanted certain evidence he would have to ask for it specially. That is not the position we take. That is not the position the hon. member for Weyburn takes. He urges that this House should decide tariff questions and should be in possession of all the evidence upon which the tariff board bases its recommendations. I support my hon. friend in that request, and I hope he will have sufficient influence with his party so that the members of this House and the country at large may know exactly what goes on before the tariff board by being supplied with a Hansard report of all the evidence upon which that board bases its recommendations.

Mr. YOUNG (Weyburn): Hear, hear.

Mr. ADSHEAD: I have been present at several sittings of the tariff board, and I want to say that no gentleman was more carefully prepared and more thoroughly looked after the interests of the consumers of this country than the hon. member for Weyburn, absolutely to his own loss. Unlike the boot manufacturers for instance, he was not concerned in the few thousand people

that make shoes; he was interested in the nine million people that wear those shoes. I am of the opinion, Mr. Speaker, that the suggestion of my hon. friend from Weyburn ought to be put into effect, and I can assure him that he will receive all the help we are capable of to that end.

Mr. H. C. HOCKEN (Toronto West Centre): Mr. Speaker, my hon. friend who has just taken his seat (Mr. Adshead) says you cannot run with the hare and hunt with the hounds. If he sits in this House for any length of time he will discover that that is quite possible, because the government of the day is running with the free trade hare and hunting with the protectionist hounds of Quebec. My hon. friend is surprised that a man should get up on that side of the House and say he is a protectionist. It gives him a shock. Why, Sir, we have had members from all parts of Quebec stand in their places and over and over again declare themselves protectionists. We had a member from that province condemn the Prime Minister, his leader, because he reduced the tariff duties on that celebrated occasion which was "the first crack out of the box." Mr. Marler stood in his place representing a constituency in Quebec—

An hon. MEMBER: Where is he now?

Mr. HOCKEN: He is now replaced by a rather superior man. He stated on the floor of the House that he had been authorized by the leaders of his party to go to the manufacturers of Quebec and tell them that the tariff would not be reduced, notwithstanding the free trade clause in the platform of 1919. Well, the tariff was reduced afterwards because the free trade hares had—

An hon. MEMBER: Scared the hounds.

Mr. HOCKEN:—a little more influence with the government than the protectionists, and the government stood up most bravely and declared they were going to reduce tariff duties. My hon. friend the Minister of the Interior (Mr. Stewart) said "This is the death-knell of protection". My hon. friend the Minister of Agriculture (Mr. Motherwell) said, "This is the first crack out of the box". There was loud applause from our Progressive friends all of whom were then on this side of the House. But that was the only time it ever was done. The government discovered that that policy was not going to get them support in the province of Quebec.

Mr. STEVENS: The hounds caught up with the hares.

Mr. HOCKEN: Yes. The death-knell of protection was not sounded. My hon. friend need not be surprised if he finds men getting up on that side of the House and declaring themselves for protection. Quebec needs protection as much as any part of the Dominion —perhaps a little more—and she is not going to submit to any radical reduction in duties. True, Quebec did consent most cheerfully to the reduction in the automobile duties because her manufacturers do not make automobiles.

Mr. LAPOINTE: They do not want to.

Mr. MERCIER (Laurier-Outremont): Does my hon. friend presume to be the spokesman of Quebec?

Mr. HOCKEN: I have been charged with a great many things but I hope Providence will preserve me from that. I want to tell my hon. friend from East Calgary what the truth is about the automobile duty. The duty was reduced but the sales tax was taken off and other advantages were given to the automobile industry that left it as fully protected as before the duty was reduced. That is the fact.

Mr. ADSHEAD: Did not automobiles cost less to the consumer?

Mr. HOCKEN: The reduction materially affected the revenues of the country.

Mr. ADSHEAD: Did it not affect the purchaser?

Mr. HOCKEN: It affected the revenues of the country, which is pretty much the same thing.

Mr. BROWN: Has my hon. friend the figures from the Bureau of Statistics to show in what way the revenues were affected?

Mr. HOCKEN: I do not think we need to get the statistics to prove this fact, that if there is a sales tax of five per cent on a certain article—which five per cent goes into the coffers of the country—if that sales tax is removed, that much revenue is cut off. The reduction in the sales tax to that extent necessarily means a reduction in the revenue.

Mr. BROWN: Is the hon. member aware that the revenue from passenger cars was $570,000 greater in the period of nine months ending in January than it was the year before?

Mr. HOCKEN: I am talking about the sales tax; my hon. friend is talking about the volume of trade.

Mr. ROBB: There was no change whatever in the sales tax. My hon. friend is conflicting the sales tax with the excise tax. As a result of taking the excise tax off cars—

Mr. MANION: Canadian cars.

Mr. ROBB: Yes, Canadian cars. As a result of taking off that tax, more cars were sold and we got more revenue from the sales tax.

Mr. HOCKEN: I did get twisted on the sales tax and the excise tax, but there are so many taxes under this government that it is pretty hard to keep track of them.

Mr. ROBB: These taxes were imposed by the previous government.

Mr. HOCKEN: My hon. friend from East Calgary is very much opposed to the reduction of the income tax. We had some figures given to us recently which would make it quite reasonable to understand this opposition. The west does not pay any income tax that is worth while. The two provinces of Saskatchewan and Alberta pay $2,317,000 in income tax and this amount is all paid by the cities. On the other hand, the province of Ontario paid last year $26,539,000 in income tax and the province of Quebec, in round figures, $18,000,000. So that these two central provinces pay the vast bulk of the tax, and it is not to be wondered at that my hon. friend should want to have the tax maintained. The farmers of Saskatchewan and Alberta who pay no income tax naturally say, "Certainly, let us soak the provinces of Ontario and Quebec and make them pay the revenues of the country." There is therefore no reason why my hon. friend should rejoice particularly in any reduction of the income tax.

On motion of Mr. Hocken the debate was adjourned.

At six o'clock the House adjourned, without question being put, pursuant to rule.

Thursday, February 24, 1927

The House met at three o'clock.

REPORTS PRESENTED

Second report of the select standing committee on miscellaneous private bills.—Mr. Parent.

First report of the select standing committee on banking and commerce.—Mr. Hay.

ST. GEORGE'S CHAPEL AND WESTMINSTER ABBEY CHOIR

CONCERT IN PARLIAMENT BUILDINGS

Mr. SPEAKER: I have the honour to inform the House that I have received a special invitation for the House to hear to-morrow in the parliament buildings the famous choir of St. George's Chapel and Westminster Abbey. The choir could sing either in the morning or at 2.30 in the afternoon. I will leave it for the House to decide which hour would suit them best. Shall it be in the morning or at two-thirty?

Some hon. MEMBERS: In the morning.

Some hon. MEMBERS: At two-thirty.

Mr. SPEAKER: I think "two-thirty" has it, and the choir will be notified accordingly. They will sing either in the Hall of Fame or in the railway committee room, according to the number present.

REPORT ON AGRICULTURE

Mr. W. F. KAY (Brome-Missisquoi) moved:

That the report of the Minister of Agriculture for the year 1926-1927 be referred to the select standing committee on agriculture and colonization.

Motion agreed to.

CIVIL SERVICE ACT, 1918, AMENDMENT

Mr. J. S. WOODSWORTH (Winnipeg North Centre) moved for leave to introduce Bill No. 108 to amend the Civil Service Act, 1918.

He said: This bill provides for the setting up of machinery for consultation between civil service employees and the officials of the government. It is designed to provide means for the hearing of grievances and for the promoting of efficiency. I believe it is quite in harmony with the idea recently put forward by the Prime Minister when he said:

I think that in the relations of the civil service and the government a council on which there would be representatives of the civil service to speak directly to members of the government, or to take up with heads of departments matters of interest to all government departments could be of the utmost service to all concerned.

Motion agreed to and bill read the first time.

CIVIL SERVICE ACT, 1918, AMENDMENT

Mr. M. N. CAMPBELL (Mackenzie) moved for leave to introduce Bill No. 109 to amend the Civil Service Act, 1918. (Director of Civil Service).

He said: I may say that the object of this bill is to carry out in part certain recommendations and suggestions made to parliament in 1922 by the special committee appointed to inquire into the Civil Service of Canada.

Motion agreed to and bill read the first time.

SENATE BILLS—IRREGULARITIES

On the order: First reading of Senate bills:

Mr. SPEAKER: The four bills mentioned on the order paper are irregular in some particulars and I call attention to the fact that

these irregularities ought to be cured before the bills are given the first reading. I shall therefore pass to Questions.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

STEAMER CANADIAN RECRUIT

Mr. WOODSWORTH:

1. What amount is being paid for the removal of the wreck of the Canadian Government Merchant Marine steamer Canadian Recruit?
2. What was the sound market value of the Canadian Recruit on the date of her stranding?
3. What was her insured value on same date?
4. How much was the hull insured for on same date?
5. Was she covered against protection and indemnity risks, and if so, why is the cost of the removal of the wreck claimed from the public treasury?
6. Have tenders to remove the wreck been properly advertised for?
7. If so, what are the names of the tenderers and the amounts of their bids?
8. Has any salvage been realized on the old material, and if so, what amount?

Hon. Mr. RINFRET:

1. The removal of the wreck when fully completed is estimated to cost about $95,000.
2. Estimated market value, $189,000.
3. $462,150.
4. $346,613.
5. (a) Yes. (b) Underwriters declined to accept responsibility for removal of the wreck, and the work had to be undertaken without further delay to meet the demands of the shipping interests, the wreck commissioner having in a report recommended the removal:
6. Yes.
7. Tenders were received from the following:

Canadian Salvage Association Limited, $178,000; Canadian Import Company, Limited, $181,000.

8. No.

ACQUISITION OF QUEBEC-SAGUENAY LINE

Mr. PARENT:

1. What is the amount paid for the acquisition of the railway commonly known as Quebec Saguenay line?
2. How much has been spent for the completion of said railway?
3. On what date was said line taken over?
4. What is the total revenue from the operation of said railway for the last fiscal year?
5. What is the cost of maintenance and of operation of said line?

Hon. Mr. DUNNING:

1. $3,489,313.53. See page XIX of annual report of Department of Railways and Canals for the fiscal year to March 31, 1919.

2. Cost to complete railway and additions and betterments to December 31, 1926, $4,332,996.60. Total cost, $7,822,310.13.
3. March 4, 1919.
4. $105,775.93.
5. $278,592.88.

PELEE ISLAND MAIL SERVICE

Mr. GOTT:

1. To whom was the contract let for the mail service for Pelee Island, Ontario, for the winter season of 1926-27?
2. What was the contract price?
3. How was the contract let?
4. Has the government ever considered aeroplane service for Pelee island for the winter months?
5. Have representations ever been made to the department or government for aeroplane service for Pelee island for the winter season?
6. If so, by whom, and what reply was given, what assurance or response made?
7. Does the government think that it would be in the interests of the people of Pelee island to institute aeroplane service between Pelee island and the mainland during the winter season, and will they consider seriously the institution of same commencing December 1, 1927, and continuing until March 31, 1928, as an experiment to eliminate the dangerous and almost impassable service rendered by the mail boats?

Hon. Mr. RINFRET:

1. Guy McCormick.
2. $1,600 per annum.
3. By public tender.
4. No.
5. No information.
6. No information.
7. No information.

REDUCTION OF CUSTOMS DUTIES ON ALCOHOL

Mr. KAISER:

1. Has the government received any request or communications from the legislatures of various provinces or from any one acting on their behalf, in regard to a reduction in the excise and customs duties on alcohol or alcoholic beverages?
2. If so, from which of the provinces and what is the nature of such request?

Hon. Mr. ROBB: Answering on behalf of the Department of Finance, a letter has been received by the Minister of Finance from the premier of one province marked by the sender "private and confidential."

Question No. 2 is answered by No. 1.

TARIFF BOARD REPORTS

Mr. ADSHEAD:

On what cases have the tariff board rendered their reports to the government?

Hon. Mr. ROBB:

Reports have been made to the Minister of Finance on the following:

Solway flake calcium chloride for removal of duty. (By General Construction Material Company, Limited, 394 St. James street, Montreal.)

Pumps and pump parts for reduction of duty. (By Ames-Baker, Limited, Brandon, Manitoba.)

Player piano music rolls for tariff adjustment. (By Q.R.S. Music Company, Canada, Ltd., through Mr. A. G. Slaght, K.C.)

Nail keg cooperage for tariff adjustment. (By Cooperage Company of Canada, Ltd., Hamilton, Ont.)

Epsom salts for relief by customs duty or bounty. (By H. B. Callander, Basque Chemical Production Co., Ltd., Ottawa.)

Gabardines for rebate of duty paid on gabardines for the making of shower-proof garments. (By Fels Limited, Montreal.)

Invalids' wheel chairs for removal of duty or reduction. (By Mrs. Annie Chapman, Prince Albert, Saskatchewan.)

Invert sugar (Nulomoline) for increase in duty. (By W. P. Downey, Limited, Montreal.)

Oil tops for decrease in duty. (By Artic Refineries, Ltd., Lethbridge, Alberta.)

Objects of art for readjustment of tariff. (By trustees of the National Gallery of Canada.)

Tin for amendment. (By J. E. A. Dubuc, M.P.)

Tops for gloves for reduction of duty. (By Price, Paterson, Limited, Vancouver, B.C.)

Foxes and canaries for breeding purposes for removal of duty. (By H. S. Tibbs, Clyde hotel, 185 King street, east, Toronto.)

This completes the list which the department has received.

RIDEAU CANAL—RETAINING WALL

Mr. GARLAND (Carleton):

1. Has the government started work on the retaining wall on the Rideau canal, at Ottawa?
2. If so, when?
3. What qualifications and recommendations are necessary for a labouring man to secure employment on this work?

Hon. Mr. DUNNING:

1. Yes.

2. 21st February last.

3. (a) Qualifications: physically fit and competent for the class of labour hired for, as judged by the superintending engineer in charge.

(b) Recommendations: those of the representatives of the federal electoral district where work is carried out.

[Mr. Robb.]

SALES TAX—REVENUE

Sir GEORGE PERLEY:

1. What was the revenue from the sales tax in the fiscal year 1925-26?
2. What is it estimated to be for the current fiscal year?

Hon. Mr. EULER:

1. $74,025,093.31.

2. This department has no estimate made of the sales taxes for the current fiscal year, but the collections for ten months ended January 31st, 1927, were $63,713,767.21.

THE ROYAL MINT

Mr. YOUNG (Saskatoon):

1. Is the Royal Mint at Ottawa exclusively owned, controlled and operated by the federal government?
2. If not, is it owned, controlled and operated by the British government?
3. If not, is it jointly owned, controlled, and operated by the federal government and the British government?
4. If owned, controlled and operated, either wholly or partially by the British government, under what terms and conditions?
5. If not exclusively owned, controlled and operated under the jurisdiction of the federal government, is it the opinion of the present government that the time is opportune for such exclusive ownership, control and operation?

Hon. Mr. ROBB:

1—4. The Ottawa Mint was established as a branch of His Majesty's Royal Mint by proclamation published in the Canada Gazette of December 21st, 1907. Its operations are conducted under the Master of the Royal Mint, subject to the provisions of the proclamation under which the governor-in-council of Canada regulates the mint's operations in various respects including the determination of the coins to be struck for the Canadian currency.

The mint building and equipment are the property of the government of Canada. The mint's operations are financed from the Dominion treasury. Its expenses are borne by Canada and its earnings are paid into the Consolidated Revenue Fund of Canada.

5. The matter has not been considered by the present government.

QUEBEC BRIDGE—VEHICLE HIGHWAY

Mr. LAVIGUEUR:

1. Has the government received lately from the provincial government of Quebec or others, requests for subsidies in connection with the construction of a vehicle highway over the Quebec bridge?
2. Have estimates been prepared in connection with the building of a highway on said bridge?
3. Has the government the intention of build-

ing or helping to build said highway, and, if so, do they propose to vote, at this session, a sum of money with that aim in view?

Hon. Mr. DUNNING:

1, 2 & 3. Engineers representing the Canadian National Railways and the provinicial government are at present investigating the possibility of establishing highway communication by way of the Quebec bridge. When the report of the engineers is complete, it will be duly considered.

BEAUPORT—POST OFFICE SITE

Mr. LAVIGUEUR:

1. Was a piece of land purchased in the town of Beauport with a view of building a post office and, if so, when was it purchased and what was the purchase price?

2. Has the Department of Public Works had plans, specifications and estimates prepared for the construction of a public building which will serve as a post office in the town of Beauport, and, if not, does the government intend to have plans, specifications and estimates prepared for said post office?

Hon. Mr. ELLIOTT:

1. (a) Yes.
(b) February, 1913.
(c) $2,500.

2. Plans, specifications and estimates were prepared by this department and tenders were invited, but as tenders were considered too high no action was taken and cheques were returned.

QUESTION PASSED AS ORDER FOR RETURN

IMMIGRATION—CLERGY AND VOLUNTARY AGENCIES

Mr. CHURCH:

1. What are the names, salaries, and expenses of all clergy, indicating denominations, employed by the government in immigration work, (a) in Canada; (b) in the United States; (c) in Great Britain and Ireland; (d) on the continent of Europe?

2. What amount of the grants are given by the government of Canada to all voluntary agencies engaged in immigration work, giving the name and amount paid to each?

3. Were the officers referred to in question (1), if any, appointed by the Civil Service Commission, or by whom?

GERMAN REPARATIONS

On the Orders of the Day:

Hon. H. H. STEVENS (Vancouver Centre): Mr. Speaker, the Secretary of State (Mr. Rinfret) was not in his seat when I put this question yesterday: Is he prepared to lay on the table the report of the reparations commission?

Hon. FERNAND RINFRET (Secretary of State): Mr. Speaker, an interim report has been sent to my department by the commission containing schedules showing a tentative apportionment of a great number of claims, but as that apportionment may be changed by the final report I do not think it advisable to lay it on the table now.

AUTOMOBILES—REFUND OF DUTY

On the Orders of the Day:

Mr. E. J. GARLAND (Bow River): Mr. Speaker, I desire to direct the attention of the government to a communication I have received recently from an automobile dealer pointing out that the automobile retailers are having difficulty in securing the refund promised to them by the government last session.

Upon the government's announcing that such refund would be made, the dealers had no alternative but to reduce immediately the retail price of the automobiles which they had on hand, and they are accordingly, and have been for the past six months, out of pocket the total amount of their refund claims.

Has this matter been drawn to the attention of the government before? If so, what do they propose to do about it?

Hon. W. D. EULER (Minister of Customs and Excise): Mr. Speaker, I might say for the information of the hon. gentleman that last year an item was placed in the estimates to reimburse automobile dealers on claims which arose in 1920. The refunds will be made as soon as the rate of interest is worked out, which will be at no distant date.

IMPORTATION OF SCOTH MINERS

On the Orders of the Day:

Mr. A. A. HEAPS (North Winnipeg): Mr. Speaker, I would ask the Minister of Immigration if he is in a position to give to the House any information with respect to the recent importation of miners from Scotland into Nova Scotia.

Hon. ROBERT FORKE (Minister of Immigration): Mr. Speaker, I cannot say anything that will convey any further information to the House in regard to this subject. I might repeat what I think was said yesterday, that any British subject who is physically fit and has sufficient funds to maintain himself until he secures work is free to enter the Dominion. Consequently we have no jurisdiction in the matter. It has been the policy of the department whenever it has been notified of a surplus of labour in any industry to advise its agents on the other side so that they can convey the information to parties interested.

Mr. A. W. NEILL (Comox-Alberni): Might I ask the hon. Minister of Immigration if the Scotch miners referred to paid their own fares? Is it not a fact that their fares were paid by the British Empire Steel Corporation?

Mr. FORKE: I have no information as to that. I do not see what difference it would really make.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, may I ask the hon. minister another question? Whether any application was made by the British Empire Steel Corporation for permission to bring these men in?

Mr. FORKE: Mr. Speaker, I am inclined to believe that at some previous time a requisition was made by the British Empire Steel Corporation to get miners from Great Britain. I cannot definitely say how recently that requisition was made, but I can find out and let the hon. member know at another sitting of the House.

Mr. WOODSWORTH: Thank you.

TELEPHONE RATES CASE

JUDGMENT OF DOMINION RAILWAY COMMISSION

On the Orders of the Day:

Mr. T. L. CHURCH (Toronto Northwest): I should like to ask the Minister of Justice a question based on an order or judgment of a majority of the Board of Railway Commissioners for Canada, effective March 1, granting a substantial increase of rates to the Bell Telephone Company. An appeal is being taken on questions of both law and fact to the Supreme court and Governor General in Council. As the case is still sub judice will the Minister of Justice, as Attorney General of Canada, or the government under the Railway Act, grant a stay for thirty days of this order, or request the commissioners so to do before these new schedules of rates are sanctioned, especially as one of the board in a dissenting judgment holds that both the law and the facts were against the company's contention?

This would be a reasonable application of the doctrine of sub judice. Section 56 of the Railway Act defines the powers of the Governor General in Council as follows:

> The governor in council may at any time, in his discretion, either upon petition of any party, person or company interested, or of his own motion, and without any petition or application, vary or rescind any order, decision, rule or regulation of the boards, whether such order or decision is made inter partes or otherwise, and whether such regulation is general or limited in its scope and application; and any order which the governor in council may make with respect thereto shall be binding upon the board and upon all parties.

I would suggest that the minister might answer this to-morrow.

Mr. SPEAKER: Order. The hon. gentleman has put his question.

Hon. ERNEST LAPOINTE (Minister of Justice): Mr. Speaker, I may say meanwhile that we have not received any information in the matter except what has been published in the newspapers. If an appeal is taken and an application is made as suggested by my hon. friend, it will be considered and dealt with on its merits.

CUSTOMS COMMISSION—ITINERARY

On the Orders of the Day:

Mr. W. G. ERNST (Queens-Lunenburg): Mr. Speaker, I should like to ask the Minister of Customs if it is the intention of the government to have the customs commission sit again in the Maritime provinces? I put the question because at the time the commission was there last year the chairman intimated that its work could not be completed owing to the imminence of the general election, and I have since seen it stated in the press that the commission did not intend to again visit either Nova Scotia or New Brunswick.

Hon. W. D. EULER (Minister of Customs and Excise): Mr. Speaker, I might say that the commission of inquiry is not in any way under the control of my department. I will direct my hon. friend's question to the proper quarter.

Mr. ERNST: May I ask the hon. minister under whose control the commission is?

Mr. EULER: It is not controlled. It has authority to go wherever it pleases. For the information of the House I may say that I understand it is the intention of the commission to proceed again to the Maritime provinces, but I am not saying that with any authority. My hon. friend's inquiry should, I think, be directed to the commission itself.

THE BUDGET

CONTINUATION OF DEBATE ON THE ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE.

The House resumed from Wednesday, February 23, the debate on the motion of Hon. J. A. Robb (Minister of Finance) that Mr. Speaker, do now leave the chair for the House to go into committee of ways and means, and the proposed amendment thereto of Mr. Coote.

Mr. H. C. HOCKEN (Toronto West Centre): Mr. Speaker, having regard to the pledges of the government and to the large support that the government gets from the free trade element in this House, I presume that we on this side who believe in reasonable protection for the industries of the country ought to feel more or less satisfied that this particular budget does not further reduce tariff duties. It will be a disappointment to my hon. friend from Rosetown (Mr. Evans), who predicted last session that there would probably be a reduction in the duty on boots and shoes. But boots and shoes is a very tender spot in the tariff with many hon. gentlemen opposite. The rosy picture which the Minister of Finance (Mr. Robb) paints of present conditions in Canada are not at all in accordance with the facts. I am prepared to admit that there is some slight improvement in trade, but it is more a hopeful spirit than any actual advance in conditions of trade and industry throughout the country. I judge, from what we have read from the general managers of our banks, that a concerted effort is being made by them, which perhaps is very laudable, to cultivate a spirit of optimism in the country, and in that desire they have gone much further than the facts would warrant. I do not think any person who has a knowledge of the industrial situation to-day can claim that this country enjoys that abounding prosperity referred to by the minister. The only class that is fully employed in Canada to-day is the farming community; and of course the farmer has always a job. But if you get into general industry you find a great many factories working half time, a great many closed down, and a general state of anxiety on the part of those who have the management of these enterprises under their charge.

I am not surprised to learn that the unemployment index is better now than it was last year. This is due, not to a larger number in employment, but to the fact that there are fewer people to be employed. When our people are leaving the country at the rate of 100,000 a year, there are inevitably fewer unemployed left at home. And that is exactly the situation so far as general industry is concerned. There may be an industry here or there enjoying special favours, like the implement industry which is doing very well, but if you take the whole range of industrial activities throughout the country you will find that the conditions are not at all such as are described by the Minister of Finance.

Mr. McMILLAN: What special favours does the implement industry enjoy?

Mr. HOCKEN: Free materials and freedom from the sales tax. If we had in this country to-day all the Canadians who have gone to the United States, unemployment would be as great here to-day as it has been in the past few years, or greater.

I fancy my hon. friend from Macleod (Mr. Coote) will not expect the members of this party to have any particular sympathy with his amendment. Speaking for myself, at any rate, I must say I have no sympathy for it. It comprises two things: first, a demand for lower duties, and secondly, a protest against the reduction in the income tax. Now, we are not going to get any lower duties this year, and I think the explanation given by the government, as indicated by my hon. friend from South Huron (Mr. McMillan) yesterday, is quite reasonable. He points out that the ministers have been so busy that they have been unable to prepare a budget providing for lower duties. That is a fair explanation; it is one that any free trader on the other side of the House may find it easy to accept. There appear, however, to be one or two over there who do not accept it, although the hon. member for South Huron, at least, does. And, as I say, it appeals to me as a reasonable explanation. The protest against the reduction in the income tax, embodied in the amendment, comes properly from a section of the country that does not pay any income tax worth speaking about. Take the province of Saskatchewan for example: the total payments of income tax there work out at an insignificant fraction over one dollar per head of the population. If you take Ontario, on the other hand, you will find the per capita income tax given at $8.66. So that hon. members from the prairies who pay no income tax—

Mr. EVANS: Give a reason for that statement.

Mr. HOCKEN: I am not prepared to explain how it is they escape the tax. Certainly the people of Saskatchewan and Alberta have been more prosperous than the people of any other province in the Dominion during the past year or two; and if they have not been paying income tax it is not because they have not the means of doing so. It strikes me as a somewhat selfish attitude for the members of the prairies to take in refusing to allow reductions to the central provinces in the enormous taxes which they pay to keep up the revenues of the country. I shall refer to this question later on.

Let me now refer for a moment or two to certain statements made by the hon. mem-

ber for South Huron yesterday. The burden of his speech was that agriculture in Canada does not receive from government the consideration that it deserves. I should like to know wherein agriculture is denied consideration by this government or by the government of any province of the Dominion. I agree with the hon. member that it is the basic industry, and at the present day the largest in Canada. But there is no industry in this country which receives so much consideration from every form of government as does agriculture. In the first place there are special freight rates for the western agriculturist—the lowest freight rates in the world, rates which the railways tell us are not adequate to meet the cost of transportation. If that is the case, that low rate must be made up by the central provinces and by the taxpayers generally. Agriculture in the west enjoys, therefore, a special subsidy in the low freight rates which it gets and which the taxpayers of Canada at large must pay.

Mr. EVANS: What authority has the hon. member for the statement that the railways have declared the rates unequal to the cost?

Mr. HOCKEN: My hon. friend knows very well that it is by an act of this House that the west gets the special freight rates which it enjoys to-day; and he knows very well that those rates would be higher if they were placed on a parity with the freight rates throughout Canada. There is no doubt about that. These freight rates are in effect a subsidy, a bounty to the grain growers. But it is not only in that respect that agriculture is considered. Travel throughout the country and you will find in every province experimental farms conducted for the benefit of the agricultural industry; a central farm adjoining this city and farms in every province in the Dominion. These institutions are comparable with the laboratories of great industries. An industry that wants to improve its methods, to find more efficient plans to carry on, has to engage experts at large salaries and maintain large staffs in order to improve and reduce the cost of its product. I am not objecting to that. That is an expense which all other industries have to meet, but which in the case of agriculture is met by the Dominion government and all the provincial governments. Surely that is a consideration that should be taken into account. Not only experimental farms but agricultural colleges exist everywhere for the special training of agriculturists and for improving their plans.

[Mr. Hanson.]

Mr. CAMPBELL: Might I ask if that is not an admission that all other industries in this country are largely dependent upon agriculture?

Mr. HOCKEN: I think agriculture depends upon other industries as much as other industries depend upon agriculture, and if my hon. friend will allow me I shall have a word to say about that later.

My hon. friend enlarged upon the decreasing agricultural population particularly in the United States. I do not know how much he has read on the subject; but I have done some reading on it and the best information I can get is this, that in the United States and in Canada too, agriculture has become big business. The 100 acre farm in the western states and, I think, in western Canada too, is pretty nearly a thing of the past. By the use of improved machinery men are now farming one, two or three thousand acres, and they bring into operation machinery by which one man will do as much work as eight, ten or perhaps a dozen men used to do some years ago.

Mr. McMILLAN: Might I ask the hon. gentleman a question?

Mr. SPEAKER: I have noticed there has been a general cross-examination this afternoon, and although it is done good-naturedly and the hon. gentleman who has the floor has been kind enough to give replies—

Mr. McMILLAN: I was interrupted freely yesterday.

Mr. SPEAKER: —I may remind hon. gentlemen on both sides that it is not fair to an hon. member speaking to be interrupted every moment. I would ask hon. members to adhere to the rule.

Mr. HOCKEN: Agriculture is very different from what it was a few years ago. The farmers have now a machine that reaps and threshes the grain so that all operations in between reaping and threshing are avoided. Under those conditions farms of thousands of acres can be and are being cultivated, and the reduction in the number of people employed in agriculture in the United States is directly attributable to the enlargement of farms and the improvement of machinery. If we went back to the old days when we had a reaper with men following it to bind the sheaves and shock them up, in order to produce enough food for this country we would require on the land five times as many people as we have to-day. Agriculture is keeping pace with all other industries and

on the farms things are being accomplished to-day that were not dreamed of a few years ago. These things account for the lessening of the population on the farm. While the agricultural population of the United States may have decreased somewhat, the general population of that republic has increased and that country has gone through the most astonishing period of prosperity that it has ever experienced. There is a higher standard of living for all classes of people; the country is prosperous in the highest degree, and I venture to say the farmers there are sharing in that prosperity. If there is any indebtedness it is probably attributable to the purchase of these costly machines, costing $4,000 or $5,000 a piece, but enabling the farmer to produce that much more and to reduce the unit cost of his product.

My agricultural friends deliver in this House and fill the newspapers with arguments in favour of free trade. But they do not examine the whole question; they do not take into account many factors that ought to be taken into account in arriving at the best policy for this country. As Canadians we ought to ask ourselves this question: Am I desirous that this country shall be a great country, have a large population and be prosperous? Starting from that point I contend that no country can be truly great on one industry. If my hon. friends had their way and absolute free trade were adopted as the trade policy of Canada, we would get down to one industry.

Some hon. MEMBERS: Not at all.

Mr. HOCKEN: There is not in any city in Canada an industry to which my hon. friends would desire to give any protection. If they had their way and absolute free trade were put into effect, this would be solely and only an agricultural country. The greatness of a country depends not on one industry but on a diversity of industries. It depends on many different lines of industry being established and carried on profitably. There is no country of any consequence in the world that attempts to live on agriculture. Admitting that agriculture is the basic and most important industry in the Dominion of Canada, yet I think if those who are engaged in agriculture would look at the question all round, they would discover that if they were going to do their whole duty as Canadians they must give some consideration and some reasonable protection in order to allow other industries to live. There is not in Canada to-day a farmer who has children reaching up to the age of maturity and self-support who does not profit in his family by the existence of a variety of industries. I wonder how many of my hon. friends opposite who have children who have gone out to make their own way, have children who are engaged in industry or commerce that is due to the existence of those industries in our cities. Let me take the case of a farmer in Ontario, because I know more about that, although I do not know much about farming.

Some hon. MEMBERS: Hear, hear.

Mr. HOCKEN: I think I know a little more about farming in Ontario than some of my hon. friends opposite know about the industries in our cities, and I have more regard for the farmer than my hon. friends who would argue in favour of Simon-pure free trade have for those engaged in those industries.

Miss MACPHAIL: Do farmers in Canada ask the industries of which the hon. member is speaking to tax themselves for the benefit of agriculture?

Mr. HOCKEN: Whether they ask or not, they do undoubtedly. The taxes that go to support this government are drawn from industry—

Some hon. MEMBERS: Oh, oh.

Mr. HOCKEN: —and the concessions that the farmers get for the small amount they pay per capita in the way of tariff duty more than compensate them for what they have to pay. I say, Sir, that it is in the interest of every farmer in the country that we should have prosperous cities. These cities create openings for those members of the families of farmers who are not adapted to agricultural pursuits and have no taste for agriculture, and if you take a farmer with a family, of five or six children, we will say, more than half of them leave the farm; they are not adapted to farming.

Miss MACPHAIL: They all leave the farms do they not?

Mr. HOCKEN: Not while they are as prosperous as they are to-day. So that if we are going to have an all-round country here, we must have cities as well as rural districts.

Miss MACPHAIL: Is the hon. gentleman arguing that without protection there would be no cities at all, no industries?

Mr. HOCKEN: I think I can say that there would be very few cities and those would be of very little account. If my hon. friend had her way and brought free trade into effect—and I think she believes in free trade—the cities of this country would shrivel up.

Some hon. MEMBERS: No.

Mr. HOCKEN: Yes, they would shrivel up. If we were buying our implements and buying our manufactured goods from the other side, as my hon. friends would have us do, what would there be to keep the cities alive? I say that it is much better for the farmer that there should be some communities of considerable size within his reach.

An hon. MEMBER: They constitute local markets.

Mr. HOCKEN: Not only that, but they make a vast difference to his social position. The prairies to-day are better districts to live in than they were forty, or thirty, or twenty years ago, because there are cities.

Mr. DONNELLY: Has not England's fiscal policy made her great?

Mr. MANION: No, protection—protection up to 1846. That is what made her great.

Mr. HOCKEN: My hon. friend from Willow Bunch (Mr. Donnelly) has not read far enough back; he has only read back to the time of Mr. Cobden and Mr. Bright. Let him go farther back and he will find that Great Britain was made preëminently an industrial nation by protection.

An hon. MEMBER: And she is coming back to it.

Mr. HOCKEN: Yes, with the Safeguarding of Industries Act and similar legislation. It was only when England gained that position of industrial preëminence and had control of the commerce of the sea, that she found it to her advantage to adopt free trade in order to sell her products abroad and bring raw materials in free. In my judgment England will never recover the preëminence she enjoyed in industry under a free trade policy because every nation in the world is straining in all possible ways to build up its industries and is putting into effect protective policies in order to do that.

Where in history can my hon. friend point to a growth equivalent to that of the United States which has been built up and maintained by protection? And the farmers of that country are stronger protectionists than any other class of people.

Some hon. MEMBERS: No, no.

Mr. HOCKEN: I predict that the day will come, Mr. Speaker, when my hon. friends who sit to my left, or their successors, will be just as keen for protection as the farmers of the United States. I venture to say further that if the agriculturists of Canada, and it is certainly true of the agriculturists of Ontario, study the whole question of building up a great nation in Canada, they will come to the conclusion that a reasonable measure of protection is as necessary for them as it is for the cities and the towns.

I have only one song to sing as a rule—

Mr. LAPOINTE: Hear, hear.

Mr. HOCKEN: —speaking on the budget, and what I have said is purely incidental to what I want to say. I wish to say a word for one industry in this country that is perishing because of the disfavour in which it finds itself with the government of the day. I want to bring to the attention of the House the condition of the publishing industry in Canada, and when I say that it is perishing I speak absolutely by the book, for within the last five or ten years the number of publications that have suspended because of inability to meet competition—foreign competition—runs into the hundreds. I submit that the publishing industry is a great industry, and it is not failing in Canada because of any fault of the men that are engaged in it. I can name to you men who have invested large sums, and who have done their best in trying to produce Canadian magazines teaching Canadian sentiment, trying to further that Canadian spirit of which we have all talked so much and for which we do not seem to feel inclined to do very much. Sir, the blame, in my judgment, lies directly upon the administration, an administration that will not enforce the laws now upon the statute books, will not apply the items which are in the tariff. If the items already in the tariff schedule were applied there would be some hope for Canadian periodical literature, and it is with the "hope that springs eternal in the human breast" that I want to present the case for the publishing industry again to-day.

I would like hon. members first to consider the character of that industry. It is not like the manufacture of a machine, or of wearing apparel, or of anything that is in general use. This industry is one upon which Canadian sentiment must be built; it goes deeper than the manufacture of any goods that are in general use. It goes right into the minds and hearts of the people, and if we are going to develop a country with a sentiment of our own, and to inculcate a real Canadian spirit in our young people, then we must have some kind of a vehicle for the purpose, and the best vehicle that I can think of is a periodical press.

Mr. KENNEDY (Peace River): Would not the daily newspaper meet that need to a very large extent?

Mr. HOCKEN: I think not. The daily newspaper gives us the news, and contains an occasional political article or a neutral article, but it is essentially a presentation of the news of the day, of the happenings of the world. It does, of course, express Canadian sentiment, but not at all in the way that a periodical press does. The man who writes for the daily paper writes of the hour; his articles must be composed in an hour, or in a few hours at most. The man who writes for the periodical press takes weeks or months, takes whatever time is necessary to prepare his article to his own satisfaction, and he produces a form of literature that is much more effective in developing a national sentiment than anything a newspaper man can write. My hon. friend in the chair will see the force of the statement I make. I say, Sir, that that is the only agency we have for contributing to the education of the masses and building up a strong national sentiment among Canadians, and for stimulating that sentiment. Surely it must be admitted that this is desirable from every standpoint. If we are going to remain Canada, we must be Canadians. We must have some special idea in our heads as to our own nationality. We cannot imbibe the ideals of a foreign state without suffering in our own sentiment, and that is the situation in which we find ourselves to-day. All that is best in this periodical literature that floods our country is pro-United States. There are 70,000,000 copies of American periodicals coming into this country every year, not one of them telling the Canadian story, all of them leaving the impression that God's country is the United States, and putting into the minds of our young people the idea that the land of promise is over the border, not here. It is one of those agencies that have done so much to attract the best we have.

Mr. YOUNG (Saskatoon): Unfortunately, one of the difficulties is that the Conservative party have been trying to make everybody believe that.

Some hon. MEMBERS: Order.

Mr. HOCKEN: I did not quite get what the hon. gentleman said. I am free to admit that there are a great many admirable magazines coming in here from the United States, but at the best they teach United States: they do not teach Canada. They stimulate the idea in our young people, and in some of our middle-aged people, to seek for those green fields far away, and it is one of the means that has been effective in attracting so many of our young Canadians over the border. From every province in Canada they slip across, and while it is very flattering to us to know that almost any Canadian can get a situation in the United States, it is not very encouraging to those of us who want to see a great country built up here, populous, prosperous and powerful, as it can be, and as I hope it will be. But the day is being delayed, and the attractions of the United States are being presented to our people by this flood of literature that comes in.

And at the worst, Mr. Speaker, we have admitted to this country to-day the most pernicious literature that is published on this continent, perhaps on any continent. Certainly nothing could be much worse than what is published in the United States and sent in here free. I am going to read to you what the Washington correspondent of the Baltimore Sun said about this class of publication in the United States. Writing to the Independent, of Boston, he said:

> And not only have we produced a great smut crop of a coarseness peculiarly our own, but the more obscene of the French papers have now been translated into English and appear on the news stands along with the originals. When you stop to analyze, scrutinize, and check up, there is here presented more reason for apprehension as to the future than any other single symptom in America to-day.
>
> The place to fully appreciate its proportions is in the smaller cities and towns, with populations ranging from 20,000 up to 100,000—towns, for instance, like Fairmont, West Virginia, where one news dealer sells 2,200 copies of every issue of a single monthly, exclusively devoted to stories of sex experiences and the nude in art; or like Steubenville, Ohio, where out of 110 periodicals on sale in a single store, 60 were either out-and-out a prurient type or bordered on the libidinous line.
>
> It is not the cheap and sexually suggestive fiction magazines, although these are many and rotten, that constitute the real shock troops of these paper battalions of literary indecency, so much as the smaller and more compact nonfiction affairs frankly and exclusively given over to obscenities. Some of these are published in Chicago, some in Philadelphia, but most of them in Newark, New Jersey, and are issued by the same individuals under different corporate names. They mainly contain a rehash of the dirty stories and jokes told in the smoking rooms of pullman cars or hotel lobbies.

Some of my hon. friends may say: You are talking about the United States. Well, Mr. Speaker, I went down to Sparks street during the lunch hour, and I went into only one store, but I picked up a few samples of the kind of stuff that is coming into this country from the United States. Here is one

of them—Sea Breezes. Shocking, isn't it? Any member of this House can go down to Sparks street and buy this magazine. I do not suppose any member would buy it, unless he had a purpose, but the truth is that the youth of the city are buying it. Young people are going through the pages of a thing like that.

Then I picked up another one, and the title itself, I think, condemns this one—Sex Stories. That is admitted free, contrary to the very item of the tariff. I wish my hon. friend the Minister of Customs (Mr. Euler) were here. There is a book unfit to be sold in any store in the city of Ottawa or anywhere else for that matter, but it is Canada we are concerned with.

Here is another—True Experiences—another of the sex story magazines. This kind of stuff, bound, as you see, in different sections, comes into this country free, in violation of three different items of the tariff.

So, at its worst, Mr. Speaker, it is about as bad as it could be. I could get you sixty other magazines of the same type, only I did not want to spend that much money, and I thought these three samples ought to be sufficient to convince the House that a kind of literature is coming in here with the approval of our customs officials and of the government that ought to be excluded.

Mr. McLEAN (Melfort): Would the hon. member advocate barring that class of magazine from the country?

Mr. HOCKEN: I certainly would.

Mr. McLEAN (Melfort): Thank you.

Mr. HOCKEN: In the United States, Mr. Speaker, they do everything they can think of to stop this flood of literature. They suppress a magazine, and the next week it appears under a different name.

Mr. BROWN: I am heartily in sympathy with some of the views expressed by the hon. member, but would it not be well to take this up as a single problem, rather than complicate it with questions of the customs tariff?

Mr. HOCKEN: I would think, Mr. Speaker, that the present laws against obscene literature would exclude this kind of stuff. It is within the power of the Customs department to exclude these magazines now, on the ground of obscenity, but they come in free, and are part of that great flood of literature to which I object coming in in the way it does, to the destruction of our own periodical literature, and to the destruction of a very important industry in this country. The voice of Canada, as it can be expressed in a periodical press, is stifled because our magazines are absolutely unable to compete with those in the United States serving a community of 120,000,000 of people.

The conditions which are maintained at the present time render it quite impossible to establish a distinctly Canadian periodical press. We have in our customs tariff three items; one that provides that on all advertising matter coming into this country from the United States a duty of fifteen cents a pound shall be charged. That is not enforced. I have before me a magazine of 204 pages, mostly advertising, all of which ought to pay fifteen cents a pound under our own tariff, but this comes in free, not only competing with our own magazines, but by the advertising competing with every paper in Canada through the great volume of advertising they put in. I submit further with regard to this magazine and others of the same class that the dumping duty should be applied. This magazine weighs a pound and a half. I weighed it myself. The raw paper in the rolls is worth nine cents, and it is sold in the stores of this city for five cents. The dealer buys it for three cents. Here we have nine cents worth of white paper beautifully printed and bound, the type set up, and articles paid for, and it comes into Canada at three cents to the dealer and five cents to the purchaser.

Mr. YOUNG (Weyburn): What does it sell for in the United States?

Mr. HOCKEN: Five cents.

Mr. YOUNG (Weyburn): Then how can you apply the dumping duty?

Mr. HOCKEN: Nine cents' worth of paper is sold for three cents, and if that does not come within the dumping clause, then the act should be amended so that it will come within it. No Canadian can advertise in this magazine. It has a circulation of about 80,000 in Canada, but it has a total circulation of over a million, and the Canadian advertiser who would pay for a million circulation would get only 100,000, or less. Canadian advertisers, therefore, are excluded from this publication; they are excluded from the Saturday Evening Post and the Ladies Home Journal, because they cannot get more than 100,000 circulation, or 130,000, I think, in the case of the Saturday Evening Post. But if they advertise they have to pay for a circulation of a million. In the first place we have a duty of fifteen cents a pound that should be applied to magazines

of this class, because while a certain amount of reading matter which is admitted free is mixed up with advertising, these periodicals are essentially advertising publications. They are not published primarily as literature, but as advertising mediums and should be treated as such by the Customs department of this country. Now another item in our tariff says:

Books, viz, novels, works of fiction or literature of a similar character, unbound or paper bound, or in sheets:
British preferential tariff, 15 per cent; Intermediate, 22½ per cent; General tariff, 25 per cent.

I submit that all the magazines that come here should pay the twenty-five per cent rate under that item. There is the item in the tariff; they do not enforce it, but they fall back upon another item, No. 184, which reads:

Newspapers, and quarterly, monthly and semi-monthly magazines, and weekly literary papers, unbound, free.

You will notice it says "unbound". Here is a magazine, a very decent one too, and the Customs department says that is unbound. It has sixteen sections. These sections have to be collated and stitched, the cover put on, and more work is done in the bindery than is done in the pressroom on this magazine, and yet our Customs department says it is unbound. I do not know how that can be defended. But if this publication were treated as it should be instead of being admitted free under item No. 184, it would pay twenty-five per cent, and if it paid twenty-five per cent, it would be something of a discouragement to the American magazines in their effort to capture the whole of the Canadian market. I do not say this magazine ought to be kept out but if we have an item in the tariff providing that it shall pay twenty-five per cent, it should pay that amount, while the British magazines would come in under the preferential tariff of fifteen per cent. I am not asking for any special or further protection for magazines. I say apply the tariff as it stands. I suggested last year that, instead of charging fifteen cents a pound on advertising matter, a general rate of ten cents a pound on the whole magazine should be applied. I did that because the customs officials state that it is impossible to separate the advertising in a magazine like this from the reading matter. Of course that is not impossible at all. It is done in the United States for postal purposes, but it means a certain amount of work for every one that comes in; so last year, instead of sticking to the demand for fifteen cents a pound, I suggested ten cents a pound as being easier to collect. I want fifteen cents on the advertising, or I want twenty-five per cent, according to item 169 in the tariff.

If we have a tariff that can be interpreted exactly the opposite of what it says, what is the sense of it? It does not accomplish anything at all.

While these publications are admitted free into Canada, the Canadian publisher has to pay duty on everything that he uses. He has to pay on his paper, he has to pay on his machinery and he has to pay on his electrotypes. I have ninety-one items here in the tariff that enter into the publisher's business which are dutiable, and he comes then into competition with people who pay no duty. He is forced up against the free list of American magazines. I have the record here of one periodical published in the city of Toronto. This publisher could go to Buffalo, buy his paper, print it, get all his electrotypes and everything, and he could save $490 on every issue, as compared with the cost of publishing in the city of Toronto. He could save $5,583 dollars a year if, instead of doing his printing in Toronto, he took it over to Buffalo. In the first place, he has to pay a duty of twenty-five per cent on his paper. Paper is cheaper there than in Canada. He can buy paper in Buffalo and lay it down in Toronto, and when he gets it in Toronto it is exactly the same price as the cost of the paper in Buffalo, with the duty and the freight added, and that is about a cent and a half a pound. That is a very heavy impost upon the publisher of that magazine—$490 an issue, besides all his equipment. I have a list of ninety-one different articles entering into the business of the publisher. The tariff runs all the way from 10 per cent to 35 per cent, everything the man uses is taxed, and then he comes into unhampered competition with the American publisher.

Mr. ADSHEAD: Is my hon. friend complaining of that tariff?

Mr. HOCKEN: No. I say the papermakers and other manufacturers ought to enjoy enough protection to keep them alive; but I say further the publisher ought to get some protection too; he at least ought to get the protection that is now contained in our own tariff.

How the Minister of Finance can justify the present interpretation of the items in the customs tariff is absolutely beyond my comprehension. I am confident that if the government took a fair and reasonable view they would at least say: We will adopt item 169 of the customs tariff and charge 25 per cent

on all these magazines. That would not exclude a single American magazine; but it would do this. The Saturday Evening Post has started a subscription campaign in order to get a circulation in Canada of 200,000 copies. A tariff of 25 per cent would simply discourage that campaign and would leave the publishers of that paper to take the natural circulation that they may get. At the present time they are spending enormous sums of money in forcing the circulation of the Saturday Evening Post—all to the detriment of existing Canadian publications, and it is a most unfair position in which to put our publishers.

I can conceive, Mr. Speaker, that if the publishing industry were given a fair deal we would have more ink-makers, perhaps we would have another paper mill or two, and the general industry surrounding and cognate to the publishing industry would benefit correspondingly. Of course, the automobile manufacturers get their raw materials free, so do the implement manufacturers, but the publishers get nothing. The publishers are not asking particularly for free raw materials, they are willing that those with whom they deal should have reasonable protection—what Mr. Marler used to call "a cost of living" tariff; but they claim that this country should be protected against the flood of 300 different magazines that come in here every time they are issued.

It may be interesting to the House to know that 25,000,000 pounds of advertising printing comes into Canada from the United States free of duty every year. If we applied our tariff on that 25,000,000 pounds we would get in duty $375,000 at the 15-cent rate which I have mentioned. That indicates the handicap under which our publishers are working. It is equivalent to this government paying a bounty to the American publisher to compete with the Canadian publisher. That is exactly the position. If conditions were reversed, if Canadian periodical literature was going into the United States in anything like a comparable volume, the United States government would put on a tariff over night. They would not stand for that, they would not permit their people to be fed up with Canadian literature as we permit our people to be fed up with American literature. It must be borne in mind that if we put on a duty of 25 per cent the price of the Saturday Evening Post would not be increased at all; its publishers would absorb that tax. Hon. members may be surprised to hear that the total weight of the Saturday Evening Post sent into Canada in 1926 amounted to 8,978,944 pounds.

A tremendous volume of this paper is also sent in here through the mails and is carried by the Canadian post office for nothing; we get nothing at all out of the postage. Altogether 659,275 copies of American magazines are carried by the Canadian mails for which our government gets nothing at all—not a cent. The total circulation per issue of these magazines is 1,468,886 copies. Some of them are weeklies, some monthlies, but per issue we have a million and a half copies of American publications coming into this country free, in defiance of our own customs tariff. In other words, we buy eight American magazines for every Canadian magazine bought in this country.

Every person who knows anything about the publishing business and certain newspapers have taken notice of this state of things, and they all agree it is about time that something was done by the government to at least give sufficient protection to our Canadian publishers to enable them to live and build up a Canadian literature. The Kitchener Record, the paper of the hon. Minister of Customs (Mr. Euler)—I am sorry he is not in his seat—says:

> Acting upon the contention that the Canadian publishing trade is suffering from outside competition, the delegation suggests the imposing of a tariff of 10 cents a pound on all periodicals and week end magazines entering Canada. It is estimated that the consequent revenue would be approximately $5,000,000.

I should like to read to the House what the Globe says on this subject:

> Sooner or later the Canadian government will be obliged to take cognizance of the vast circulation of United States publications in this country. They are strangling the publishing industry here, depriving Canadian workers of millions of dollars' worth of employment; they are "Americanizing" Canada by means of the reading material offered; they must have a very grave effect on Canadian industry in general, owing to the tremendous amount of advertising of United States products carried in their columns.

The Globe puts into a paragraph practically my whole argument, and I think it should be considered very carefully and sympathetically by the government. The Orillia Packet, which is a very well edited weekly paper, says:

> By all means let us have a duty on the American publications that are flooding Canada to the extent of more than a million copies a week. It is one new tax to which no objection can be taken.

I do not know, Mr. Speaker, that I can have any influence with my hon. friend the Minister of Finance, but I have pleaded with him, I have beseeched him, and I have said everything I can think of to convince him

of the justice of what the publishers are asking for. All I am requesting him to do now is to see that his colleague the Minister of Customs applies the tariff we now have against these magazines. I ask him to suggest to his colleague that item 169 should not be interpreted as classing as unbound a magazine of the kind I am now holding up for him to look at. I do not know whether the minister saw this magazine. It contains sixteen different sections, all collated, all bound. There is more work in the bindery than in the printing. Yet that is classed by the Customs department as unbound—manifestly an indefensible interpretation. If the hon. minister would take enough time to go into this question with reasonable care I think he would discover that what the magazine publishers are asking for is not only reasonable, but something that cannot be evaded and the evasion defended.

I submit, Sir, as I have done on former occasions, that this is one industry that should receive consideration at the hands of the government. It is not asking much, only what is on the book; and if my hon. friend the Minister of Finance (Mr. Robb) will grant this request, he will do something at least to support a movement which will make for a better and a more prosperous periodical press in Canada than we have at the present time.

Mr. HENRI BOURASSA (Labelle): For once I find myself in complete accord with my hon. friend from Toronto West Centre (Mr. Hocken) in the desire to protect the youth of the country from the filthy literature—is it literature?—which at present comes from the United States and is sold throughout Canada in the cities and towns, in the stores, at the street corners, everywhere. I think, however, that the hon. gentleman might have addressed his remarks to the House generally rather than to one particular quarter. Last year partly at my request, the late Minister of Customs excluded the filthiest and most obnoxious of these American magazines, and the first thing that was done by the short-lived government, which was put into power, in the name of virtue, in the month of June, was to admit again those very undesirable publications. I do not bring this as an argument against any party. I simply join hands with the hon. member in requesting the Minister of Customs to take steps to keep out literature of this sort. If the minister does not do so of his own good will he will hear more about the matter. He should apply again the regulation or, as I believe, the order in council, or the order of the Customs department, which was put into force by the late Mr. Boivin.

Mr. GUTHRIE: Can my hon. friend give us some information regarding that order in council of which he speaks? On whose recommendation was the publication in question banned? I never heard of the matter before, and I should like to look into it.

Mr. BOURASSA: I am not sure that it is an order in council; but I know that last year the late Mr. Boivin, then Minister of Customs, issued orders to prohibit the entry into Canada of such filthy rags as the Daily Mirror and publications of that nature. And these publications were stopped. The moment the succeeding government came into power, however, the publications in question were allowed in again. That is all I know about the matter.

Mr. GUTHRIE: Are they still coming in?

Mr. BOURASSA: Yes, you will find them at every street corner in Montreal and Ottawa; and the school children are buying them every afternoon. They are the filthiest and most degrading kind of reading. As every hon. member knows, I do not believe in promoting virtue by means of laws; but I may point out that in England, where more than anywhere else in the world, personal liberty in these matters has been preserved, parliament has passed legislation prohibiting the dissemination of such reading matter. Lately, one of the Labour representatives in the British parliament was in the United States, and he made the sensible observation that before the American people attempted to make men sober by law, they should see to it that the minds of the youth of the country were not degraded to the degree they are to-day in the United States. In that respect I am absolutely in accord with the sentiments of my hon. friend, and I am prepared to support any movement that tends to protect the youth of Canada against the influence of such publications.

With regard to the other aspect of the question, with which the hon. member has dealt in a very interesting manner, that of protecting the publishing industry, it should be brought to the attention of the tariff board. I do not think this is the proper time to discuss that question from the various points of view that can be advanced. Again I entirely agree with the hon. member that everything should be done to foster a national sentiment, but I fear that in many ways we are not adopting the right means. You will not build up a national sentiment by means of a protected literature. If you take other means to that end, if you direct the minds of the youth, to whatever race or province

they belong, to the fact that Canada is their country, and not France, not England, not the British Empire, then in a generation or two you may have something like unanimity among Canadians in regard to their common nationality. Thereafter a literature with a national sentiment will develop. I do not know that a national sentiment has ever been created anywhere by literature, nor that literature has ever been fostered by means of tariff protection. If in the school, in the family and in all our social and political activities, we appeal to the one sentiment of devotion to Canada as our common country, we shall create the mental and moral material upon which a national literature will grow. I do not know how it goes in the English-speaking provinces; but according to the hon. gentleman himself, as he spoke here last year, similarity of language with the United States makes the people more open to the penetration of American ideals and thought. I can say however that, so far as our own province is concerned, more or fewer papers coming from another country would not affect in the slightest degree our conception of Canadianism. This may suggest that something else is wrong with the English provinces in the matter of fostering a national sentiment. I will not however dwell on that point now. The hon. member is to be congratulated upon having raised the subject, and I trust that this is not the last occasion on which he will have brought it up.

Mr. HOCKEN: Not unless we get relief.

Mr. BOURASSA: There is another point of view from which the question may be discussed. American publications, and Canadian as well, which take advantage of the low rates offered by the Post Office Department to disseminate throughout Canada what are practically advertising catalogues, are a detriment to the ordinary trade of the towns and villages. The spread of this advertising matter throughout the country has had something to do with the crisis through which local trade in the small towns and villages has been passing for many years.

With regard to the amendment proposed by the hon. member for Macleod (Mr. Coote), I find myself in this position, that while agreeing almost entirely with the opinions expressed by the hon. member as well as by the member for Southeast Grey (Miss Macphail), I cannot bring myself to the point of supporting the amendment, for the simple reason that the first paragraph censures the government for not dealing with the tariff at this session, notwithstanding that it was unanimously agreed last session that the whole question of the tariff should be submitted to a commission of inquiry. On this question, therefore, I take exactly the same ground I took a few days ago on another subject. The House, in the exercise of its supreme jurisdiction, has seen fit to create a body to gather data and secure information to enable us to deal with the tariff in a satisfactory manner and with some measure of expert knowledge at our disposal. I hope that the tariff board will not rest content with receiving petitions from certain industries for more protection and, therefore, with looking at the question from a purely industrial point of view. Last year I ventured to suggest that it was not only the tariff question that should be studied thoroughly from an expert and economic point of view, but the whole problem of taxation as connected, not only with paying our debt and meeting our fixed charges, not only with the balancing of our budget as between revenues and expenditures, but mainly with regard to the situation of the various communities, the different classes of people in Canada who contribute to the prosperity of the country, and to find out whether they suffer or not from the systems of taxation that we have adopted from time to time without much thought, I am afraid, being given to the interlocking of the various parts of the fiscal machinery.

When that is done, of course the government will have to take their stand. I have much personal friendship and sympathy for our Minister of Finance (Mr. Robb). He is a canny Scotchman, and next to my race and my province, the Scotch people and Scotland are very close to my heart. But a canny Scotchman must not push diplomacy too far. The time is soon coming when the hon. gentleman and his colleagues will have to choose whether they belong to highland or to lowland. In his native country there were a few highlanders and a few lowlanders who, after having stolen each other's cattle, found a new country, no man's land, which separated the lowlands of Scotland from England. There they changed somewhat their patriotic occupation, and they alternately plundered the highlands and lowlands, and the land of the southron or the Sassenach.

After the inquiry has been completed, the government will have to make its choice as between—I do not say no tariff: nobody, I think, advocates that at the present time—but as between tending towards low tariff and freer trade, or stability of tariff as upheld by the hon. member for Fort William (Mr. Manion) for example, and a stiff increase in the tariff as recommended by the hon. member for West Calgary (Mr. Bennett).

I could leave the matter there, and logically I should not discuss the tariff, since I consider the House is not in a position to pass judgment upon it. But in view of certain declarations that have been made in this House by members of all parties this session, last session, and during the two election campaigns through which we have passed, I wish to place myself on record emphatically—and I will do it upon every occasion—against the idea that the province of Quebec stands for a high tariff. It has never done so in the past. It is less so favourable to-day, and the time is, I think, soon coming when not only the rural population of Quebec, but a fast growing number of thinking people in the cities will realize that the protective system, as applied so far, has done just as much harm to rural Quebec and eventually to the whole of that province as it may have done to the west or the maritime provinces.

When the government make their choice, if they are in need of scientific argumentation against the principle of protection, against the application of protection, they will find ample argument in that extraordinary address which was delivered to us a few days ago by the hon. member for West Calgary. With the little knowledge I have of economics, I admit I remain dumbfounded. I greatly admire the talents, the brilliancy and the versatility of the hon. member. In fact, he found it possible within the scope of one oration to bid fairly and boldly for leadership either of unalloyed Tory imperialism or of Simon-pure Liberalism, and he ended practically with an offer to socialism. The hon. gentleman is quite fit, I admit, to lead any and every party. Was it a warning to the future convention to be held in Winnipeg, that if the perpetually renascent Conservative party do not take advantage of the shining lights they have at their disposal, some of those shining lights may find their way elsewhere? I do not know.

But not only did the hon. gentleman base his very interesting and convincing argument with regard to the principles of taxation upon that prophet and precursor of the Manchester school which gave free trade to England—Adam Smith—but he out-Heroded Adam Smith. He added two principles to the famous four principles once enunciated by the father of free trade. Those two are that taxation, to be properly laid down, to be beneficial both to the country and to the individual, must be universal and visible. This stands as the most direct condemnation of the principle of protection that can be imagined. If there is one form of taxation which is not and which cannot be universal, it is a customs tariff, at least as we have applied it. If there is one form of taxation which the ratepayer cannot measure, cannot count, so that to him it is not visible, it is that form of taxation which he never pays himself, but which he reimburses to the government or to the protected manufacturer through the retail dealer to whom he goes to get all his necessities of life.

I think I could discern, in listening to and reading that very excellent address, that perhaps the hon. gentleman thought that we could combine, as it has at all times been held, although somewhat paradoxically, I think, the principle of free trade and the principle of protection, just as the United States have done. I know it has been an argument frequently used in the past and sometimes used in the present by upholders of a protective tariff. Strange to say, that argument and that example have been mostly, if not exclusively, used by members of that party which, for the last twenty-five years at least, have been posing before the people of this country and the people of the empire as the staunchest upholders of all British institutions. Its stand always is: We should do as the United States have done; if we imitate the United States we will reach the same result.

I do not want to dwell at length upon that. But if we reflect a few minutes upon the differences in conditions—climatic, geographical, economic, ethnical—we will realize that even if we should copy to the letter, in every item of our tariff, or in any other part of our fiscal legislation, the policy of the United States, we could not reach the same results. Because we are not similarly situated; because there are many raw materials required by our protected or non-protected industries that we must perforce and for all times import. Therefore the idea that Canada can be a self-contained and a self-sufficient country is nullified at the beginning by the very conditions of the country itself—conditions which no government, no party, no policy, can change or will ever change.

With regard to the effect of the tariff on the peopling of this country, I have heard that question discussed for the last thirty-five years at least. I remember my old friend Sir Wilfrid Laurier telling me that in making his maiden speech in the legislature at Quebec, in 1872 I think it was, he had denounced the Conservative government because of the migration of our population to the United States. I remember well the time between 1891 and 1896, when this country was passing through very dire commercial, agricultural and industrial crises, when we Liberals were denouncing the Conservative

party because protection had ruined this country, because protection had uprooted the rural population of our provinces and brought them to the large industrial centres; and because, when the crisis came, if they did not go back to the country they took the road to the United States. There are many causes for the migration of our population from Canada to the United States. There are those permanent causes to which I have just alluded with regard to our fiscal policy, permanent causes which it is absurd to ignore. The climate of Canada as compared to that of the United States is of itself an impediment. The geographical division of the country is in itself an impediment. I once defined Canada, as it has been carved by diplomats, by politicians, on both sides of the ocean, without any regard to the future, without any regard to the national exigencies of the country, as "a geographical absurdity." But that is done. Does it mean that we cannot face the issue and remedy it? No; but it means we have some obstacles to vanquish; it means that we should exercise more patience, it means that we cannot hope to see this country grow to the same degree of amplitude as the United States have grown during the century that has passed. It means also—and for many, many years to come, probably for all time to come—that vast portions of our country, especially the western portions, will always have to export an immense quantity of farm products for which they have the right to demand the easiest market, the largest and most varied number of markets, in the easiest and cheapest manner; and we, as Canadians, have the duty to help them in getting them as much as we can.

With regard to the maritimes, well, one of of the late colleagues of some of the hon. gentlemen sitting on the other side, a true old Tory, Mr. McCurdy, in several articles and lectures, endeavoured to prove, and I think did prove somewhat successfully, that the application of the protective policy had practically ruined all the small industries of his province; that Nova Scotia had suffered from protection and by protection, because the application of protection to the conditions of our country had concentrated the large industries mainly in the two provinces of Ontario and Quebec—I would go further and say mainly in some of the large centres of Quebec, and more so in various centres of Ontario—and had ruined all the small local industries of the maritime provinces. I am not a judge as to that, but here surely is testimony that cannot be allowed to go by the board without being examined. So that taking into account the conditions of all parts of the country, taking into account those permanent conditions to which I have referred—the configuration of the country, as well as the lack of population which we cannot hope to remedy in a few years—Canada must for a great number of years look to foreign markets to export the vast surplus of her farm products. And if we want to get foreign markets, and many of them, we must be prepared to deal fairly with those countries where we will find such markets. The hon. member for West Calgary made an argument which I think is sound. He said we should look rather to those countries where our products are needed than to those that will take them simply on account of some treaty we may make with them. As a general proposition that is quite true, but it has to be scrutinized. All our surplus products, either agricultural or industrial, will not be needed all the time in one country or in a few countries. Conditions change elsewhere as they do here. The conditions of production differ; the wage-earning power of various countries changes; the value of the money of a foreign country changes, and has changed tremendously since the war. But the hon. member for West Calgary said that if we relied upon foreign markets for the exportation of our products, we may find ourselves—by a stroke of the pen or in a single night—deprived of those markets and thereby our trade and industrial conditions will be entirely upset. I think this is an argument in favour of looking for as many markets as we can get, because we cannot suppose that if we export our wheat to ten countries instead of four we shall be in more danger than if we look only to one market. You cannot suppose that a country will agree to trade with us, either by treaty or by necessity, and then change its policy just as a matter of caprice as the hon. member said. You cannot reasonably anticipate that if you deal with twenty countries instead of ten, those twenty countries will gather together and arrive at a decision to close their markets to our product just for the sake of making good the argument of the hon. gentleman.

But where I could not follow the hon. gentleman was the application he made of that argument to the policy pursued by the government in trying to make treaties. The argument applies to a certain degree to countries that take our produce of necessity—precisely the contrary of what he said—and which by a change in their tariff, if they see fit, may change our conditions. But I have always understood that, all the world over, the purpose of trade treaties was precisely to

create and maintain for a certain number of years certain conditions of stability between the two parties to the treaty. When we made the reciprocity treaty with the United States in 1854, it was made for ten years with the proviso that it could not be terminated except on two years' notice; so that for at least twelve years we knew with what conditions we had to deal, so far as the United States was concerned; and the very proof of the unsoundness of the argument of the hon. gentleman is, that enumerating a number of countries with which we have trade treaties at the present time, he mentioned the fact that the United States at a certain time adopted a stiff tariff against our products. Precisely; we had no treaty with the United States.

But there is one point which has been touched upon by the hon. gentleman, and I think neglected by most other speakers, upon which I want to put myself on record once more, and that is with reference to our preferential trade. The hon. gentleman grew enthusiastic on that point. He let us see the dawn of the day when the whole British Empire would be a self-sustaining and self-contained empire. He reminded us of the patient gathering of figures by Lord Long. Lord Long was a very able man; but as a practical politician able to get a policy through, there was one man connected with that idea who was far stronger than Lord Long, and that was Mr. Joseph Chamberlain. It does not mean, because the famous trade reform campaign turned so stiffly against the Tory and Unionist party in England that tariff reform will never come about; but I think some facts that came out then prove to us that if there is an unrealizable policy, or one absolutely uncertain, it is that idea of an inter-imperial trade union. Always as in the United States, the hon. gentleman said. Again I repeat, if Canada cannot expect in the application of a protective policy to reap the same results which the United States have reaped, because of the differences in conditions between the two countries, to a far greater extent is it futile and idle to think that the British possessions scattered over the five continents, separated by the seven seas, composed of all climates and races, can ever come to a common policy in any matter whatever that can be conceived. You may say that precisely because of the diversity of conditions which exist between the various countries of the British Empire, the British Empire can be self-sustaining. Theoretically, yes, if you can bring all those countries together and make them stick together as do the fifty states of the American union. Quite so, but precisely because each of the countries of the British Empire has closer neighbours than other British countries, has trade relations, and intellectual relations, good or bad, such as those that have been described this afternoon by the hon. member for Toronto West Centre (Mr. Hocken), it is idle and futile to think that you will ever get them to agree upon one empire policy. Therefore, we have to fall back upon the somewhat lame and, I may say, absurd policy which we have been practising for the last thirty years.

One very curious thing about that policy, Mr. Speaker, is to find that the three parties at present dividing public opinion in Canada are agreed upon it. The high protectionists are in favour of maintaining the British preference; the freer trade party, as the Liberal party is supposed to be, are also in favour of maintaining that preference; but to my astonishment, gentlemen on the other side who are bent upon the ideal, which they may reach one of these days, of absolute free trade are also in favour not only of maintaining but increasing the British preference. Have they never thought that the strongest argument in fact which they can leave in the hands of the protectionists of this country is the maintenance and increase of the British preference? Do they know how it was originated? I can tell them.

I was then a young member of this House. In 1896, as in some years previous and some years after, the Liberal party had denounced protection as organized theft and robbery. At the same time, some of the organizers of the Liberal party had received subscriptions from the Canadian Manufacturers' Association and had pledged themselves that the program of the party would never be applied. So the poor leaders of the party were divided between their public utterances and the private engagements that had thus been made. Something had to be done. That is always the argument used by party leaders in those circumstances—'something must be done'—and they adopted that device of the British preference. They said: We will grant a preference to British goods, and not only to British goods, but to the goods of all countries that will offer us terms equivalent or as nearly advantageous. There was some sense in that. It was based on a policy of reciprocity. It was a policy inspired by the idea of looking for markets everywhere.

Three years later, under the excitement of the South African war, it was decided to put the stamp of patriotism on that policy. Not Canadian patriotism, no; but the stamp of imperial patriotism. The old policy of

Sir John Macdonald, that of a true national policy for the benefit of the people of Canada and the protection of Canadian industries against British as well as foreign competition, was discarded, of course, by the newly formed and inspired Tory-Imperialistic party; and the Liberals who then and later had a disposition to follow suit weakly, the Liberals —partially Tory, partially protectionist, partially imperialistic, partially everything—thought they would go about half way between the attitude of the Tory party and their own past promises, and thus we went on.

Now what has been the result? The maintenance of the British preference is practically the only cause for the agitation for a higher tariff, so far as our large industries are concerned. Take the woollen industry, or the boot and shoe industry. Talk with those men in private. I know a good many of them. I took up this question twenty-five years ago when I was in this parliament, and I know several of the most important manufacturers of boots and shoes in the province of Quebec. Privately they all tell you that if the British preference were done away with they would not demand a higher tariff, as their present protection would be sufficient. But in order to keep in line with the false sentiment that was at the basis of that policy they say: We have no objection to the maintenance of the British preference provided you raise the general tariff. The same with the woollen industry.

But if you intend to maintain that British preference, why not apply it honestly and in a practical manner? I think the Minister of Trade and Commerce mentioned the other day that the Australians—and quite properly —in the application of their treaty with us demanded, for example, that automobiles, in order to come under the treaty tariff, should be manufactured in Canada to at least fifty per cent of their value. If I am not mistaken, in the application of the preference, they exact 75 per cent of British value, either in raw material or in labour, before they consider the goods as being imported from Great Britain and entitled to the preferential tariff. Here we do not follow that principle. A personal friend of mine, interested in a very large business, travelling in France, Belgium and Germany a couple of years after the war, saw there in foreign factories woollen goods stamped in advance "British made goods". They were made in Germany, they were made in Belgium and they were made in France and shipped to England. A little surplus work was done upon them in England and they were reshipped to Canada as British-made goods. I think that kind of competition is unfair and dishonest. If we wish to have a British preference, let it be a truly "British" preference; but let us not permit the British trader, at the expense of both the English and Canadian labourer, profiting by the cheaper labour of the continental countries, to impose upon us under false pretences merchandise which is neither British nor Canadian, but foreign made.

But I go further. The time will soon come when, recovering our senses, we will do as all other countries have done, and make our choice either for a protective tariff pure and simple, as Macdonald and Tupper conceived it and applied it—a purely Canadian protective policy—or we will make up our minds that, considering the conditions of our country as they exist and the need of a larger market from year to year for our farm products, we are not going to sacrifice those advantages for the maintenance of a few artificial industries, and at the same time enforce upon our people the necessity of buying at a higher price goods which they could get elsewhere, especially those goods which are made of raw material not coming from the soil of Canada, and which the soil of Canada will never produce. That is all I have to say upon that question for this year, but I want to place myself on record and protest once more against the assertion that Quebec stands as one with Ontario on that question. I will go further and say that I believe that there is an increasing number of people in Ontario who realize that the protective policy has not given to the country at large what it promised.

As far as the province of Quebec is concerned, I pledge my word in that regard. I have known my province for many years. I have carried on not only political campaigns but various campaigns of education on many subjects. I know rural Quebec perhaps better than urban Quebec, but I know the people of the cities also; and I say the number of people in the province of Quebec who realize that the so-called national policy has not given to us yet what it has promised is growing. I do not say that we are prepared, by a stroke of the pen, as the hon. member for West Calgary has suggested, to upset our policy. No. Sensible people must take account of facts and of created—I will not say created rights—but industries developed, giving employment to a large number of people. I think I can fairly claim for the people of my province that they are pretty sensible on the whole. They may not agree with the member for Toronto West Centre (Mr. Hocken) upon many aspects of the national

spirit, but I think on the whole we have proven that in matter of economics and matters of financial administration we are pretty sensible. We are not so apt to jump at every new idea that is proposed. We are very careful before we accept clap-trap. On the whole the province of Quebec is the best situated of the whole Dominion, financially, economically and socially speaking. From that point of view the province of Quebec is not prepared to jump one way or the other, but it is prepared more than ever, to listen to good reason whether it comes from Saskatchewan, Alberta or Nova Scotia, when we are asked to revise our fiscal policy in order to suit the needs of the whole of Canada. The province of Quebec is more convinced than ever that from a French Canadian point of view, or an all Canadian point of view, agriculture is the important industry of the country. We feel that the spirit of the rural population is certainly the safest for the country to rely upon.

I am not so sure of the argument that we must create by artificial means more industries in our country. We have already too many. What we want is an adjustment of industries. What we want is an adjustment of the capitalization of industries, an adjustment of wealth as between industrial interests, tradesmen, farmers and various classes. In other words, what we want is the introduction of certain principles by which we can arrive at a proper adjustment in matters financial, material and economic. If I could revise the utterances of Adam Smith I would say that, over and above the four principles enunciated by Adam Smith a hundred and fifty years ago, and the two principles enunciated by his successor in this House, I would say that the main thing in view in our whole dealings in the fiscal and financial field is that we should not think of the wealth of any class, but of the maintenance of the family. That was the great fault of the Manchester school. They thought of the individual. They were essentially individualists. They rendered great service in freeing the individual from the yoke of monarchy, from the yoke of autocracy, from the yoke of aristocracy; but, unfortunately, they did that with a view of bringing in the individual considered by himself, either as a ratepayer or as a citizen. But we must come to the right and sound view that the maintenance of the family, of the family spirit, of the family prosperity, is the basis of all sound society. If we do that, if we maintain what we have, especially in the province of Quebec, of the social spirit, created and developed in a well-organized family, we will have done more to resist the spirit of American absorption, of American imperialism, of American mentality, than by any rate of customs tariff applied to this quantity of magazines and newspapers.

Now, with regard to the rest of the budget, I must confess that there I stand, I will not say in glorious isolation, but in noble minority with my friends opposite on almost every point. Had it not been for that premature paragraph contained in the first portion of the motion of the hon. member for Macleod, I would vote with them with my two hands. I entirely agree with them that the war debt should be paid by war taxes. I entirely agree with them that we should not diminish the war taxes as a whole, and that we should keep them before the eyes of our people as the price we have to pay for our criminal follies accumulated from 1914 to 1918. At the same time, I should not like to go too fast. I would not advocate paying off too rapidly our debt, because if we want to preserve future generations from the calamity which a blinded public opinion, conducted by public men whose motives I will not qualify, but who sacrificed the present and the future interests of our country in order to serve foreign ends on another continent, I should like our descendants when the next war comes to have something before their eyes that will cause them to say: Let us wait before we attempt to commit suicide once more. I think we should continue to bear a pretty heavy war debt and heavy war charges until the world's atmosphere has cleared and until Canada has decided whether it belongs to itself or whether it is to be in the future, as in the past, the instrument of an imperialistic policy in the Pacific or the Atlantic, in Europe, Asia or elsewhere. Morley once said: The tax gatherer is a good school master. The present generation has listened to the lesson. Let the member for Toronto Northwest (Mr. Church) endeavour to launch a crusade for an expedition to China, and he will find out that the present generation, in Ontario as elsewhere, has learned something of the lessons of the war. But twenty years hence? I do not know. Therefore until we have made up our minds what our duties are, what our national entity is composed of, what our obligations are to ourselves or to somebody else—until that time I think it is a good object lesson for us to keep before ourselves a pretty stiff war debt.

But I think our war taxes, as all other taxes, need readjustment. I expressed that view last year; I still hold it. Something was done towards attaining that end last year. I am

sorry to say that I do not find the same spirit in evidence this year. I do not think there was any necessity for the 10 per cent reduction in the income tax. It will give nothing to people with small means—they do not pay it—and very little to people who pay, let us say, $100 of income tax. The real beneficiaries will be the people with large fortunes and large incomes, that is, the people who are most responsible for the creation of that debt, and a large proportion of whom built up fortunes in the four years of war at the expense of our population—fortunes dipped in the blood of our sons. Instead of making that reduction, which will curtail the financial means of the government to meet our war charges, I think the government should have implemented the promise made last year by the late Minister of Customs, that if any change was made this year in the income tax it would be to exempt all children under 21 years of age and in charge of their parents. I repeat—it may be a hobby with me; I admit I am interested—we should always think of the family in these matters. We pretend to be one of the most advanced countries on earth, we pretend that our civilization, our literature, our system of education may stand on a par with those of the most enlightened countries. Well, what encouragement do we give fathers of families to endow their children with a complete education? We punish them for having children, we punish them for keeping their children at home in order to educate them. I say that is wrong, socially speaking. Better maintain the 10 per cent all round and make the fathers of large families benefit by the further exemption which was promised last year by a then member of the government.

Now with regard to householders, they also have much to do with the family. Last year my friend from St. Lawrence-St. George (Mr. Cahan) and myself joined hands with respect to this. I think we should put all householders on the same footing. At present the man who owns his house is exempt from taxation on its yearly value. An employee with moderate means who pays $500 or $600 rental is not allowed to deduct that as a charge against his income. I think we should all be put on the same footing, that there should be a deduction, which could be calculated as a fair average, let us say, in cities of $500 a year, and in rural districts of $300 a year; and whether a man owns his house or pays rental he should be allowed to deduct that amount; but that if he owns a house worth $200,000 or $300,000 he should pay something on the yearly value over and above what is necessary for providing the average class of habitation for a family. To show you the spirit, Sir, in which those things are considered, I was talking over that point last year with one of the highest officials of the department, a very honest and capable man. Here is what he put forward in objection to my proposition: "Well, that is pretty stiff. A man who owns a house worth $200,000 ought to be a useful citizen. I don't see why we should go for him." Surely if a business man, or a man with acquired or inherited wealth, has the means of living with his family in a house that has cost one-fifth of a million dollars, he is capable of contributing a little more to the exchequer of this country than the man who has to pay $40 a month to live in a rented house—with the danger of seeing his rental raised, as was done during the war by some of those people who pay nothing on the yearly value of their palaces —but doubled the rentals of their tenants during the war—other patriots!

Let me mention a small matter, though I was told that it might be pretty important as far as the amount of money collected is concerned. I was given this information by someone closely connected with the making and operation of this income tax. I have seen myself in the American law and in the circulars issued by the American government to their various officials engaged in the application of the law, that the object of the American income tax law is to tax all revenue at its source. With regard to the very large companies employing a considerable number of individuals you thereby reach the income not only of the companies themselves, but of all the individuals connected therewith, in so far as these incomes are represented by salaries, profits, bonuses and so forth. On the other hand, I am told that the government, quite properly, has made arrangements with a number of foreign governments, the American, the British, the Belgian, I think, and several others to this effect: nationals of any of these countries living in Canada pay income tax in Canada only beyond and above the amount they would pay in their own country; and if our tax is lower they pay the difference to their own country. Canadian employees living in foreign countries and employed by Canadian companies do not fall into this category. The company deducts from its receipts all the salaries paid to the foreign employees, and these private incomes are not reached by the Minister of Finance. Their income tax is paid, for example, to the United States in the case of Canadians living

there. If we applied the principle which is in force across the border, we should reach the income at its source and in that way we might reap a pretty fair surplus of taxation.

With regard to the sales tax, I am not competent enough to offer any comments, not having had enough experience in that branch of taxation. I will say this, however. Last year I called the attention of the Minister of Customs to the situation of what I may call small rural industries, such as sawmills, sash, window and door factories, and so on. The minister informed me that he had already the power to exempt some of these and that he would secure the means of exempting others who had only a small trade. Let me give an illustration. There is, in my constituency—I am sure there are many similar cases elsewhere—a first rate labourer, a good intelligent fellow who grew up in his trade until he was able to put up a small plant which he operates with his son. Last year he brought me all his sales tax returns, the monthly sheets which he is obliged to fill up to meet the exigencies of the Customs department. In the whole year he had manufactured and sold no more than $2,200 worth of goods, out of which he had to purchase his raw material and keep a family of twelve; and he was exacted $110 in sales tax! Here is the father of a family of twelve paying $110 as his contribution towards the redemption of our war debt—for which I can assure you he was not responsible—out of a gross revenue of $2,200. Surely there is no sense in that. It may be asked, could he not have passed the tax on to the purchaser? Well, you know how it is in the country. Here is a very small factory and about a mile away there is a small mill where the individual gets his work done. The farmer, rather than pay the sales tax to the so-called manufacturer, purchases his lumber, goes to the mill, gets his work done there and so escapes the tax. Some consideration should be shown to such small traders.

I come now to the stamp tax, which has been called a nuisance tax. I fail to see that it is more of a nuisance to put a $10 stamp on a large cheque than a two-cent stamp on a small cheque, although I think it was a good thing to raise the margin from five to ten dollars. In my opinion, however, we could have required the use of stamps of denominations in keeping with the value of the cheques issued, without causing injury to anyone. I have already suggested, and I make the suggestion again, that there should be a stamp cheque on all coupons on debentures presented to the banks. I have been told by very well informed people that a large number of our patriotic millionaires are evading the income tax through holding a large portion of debentures that are not inscribed, being anonymous and "payable to bearer." They do not declare these coupons and there is no possibility of the inspector ascertaining where they are. Dividends can be reached; the names of shareholders can be discovered; but the names of bondholders cannot be got at. I suggest that a two-cent stamp on each coupon presented to a bank would not be much of a charge on debenture holders, and it would bring a comfortable revenue. That would be visible taxation; it would be equitable taxation; and it would be convenient and cheap taxation—cheap, that is, from the standpoint of the government. That brings in four of the principles of Adam Smith No. 1 and Adam Smith No. 2.

With regard to postage reduction, I voted last year for this measure, and while I cannot censure the government in this regard I think we were perhaps somewhat hasty. I do not want to compromise anyone, but I may say that I had an interesting conversation with a person in authority in the Post Office Department. I assure the minister at once that he was not criticising either the minister or the government, but he made the simple observation that had we kept that one-cent tax on letters we could practically have rural mail delivery all through Canada to-day, provided by the amount represented by the postage reduction. There, again, I think a little thought would have led to a more satisfactory outcome. It is true, as the hon. member for West Calgary (Mr. Bennett) observed, that the burden of that tax fell on large companies carrying on a heavy correspondence. Certainly the reduction means practically nothing to the farmer or to the labourer, being merely a matter of a few cents a year, and it would have been a substantial contribution to the improvement of the postal service, while being easy to bear.

I do not want to detain the House much longer, but in closing I desire to say a word or two regarding the redemption of the debt. His discussion of this question constituted the most interesting part of the speech delivered by the hon. member for West Calgary. It is this particular part of his address which I bear in mind when I say that the hon. gentleman, having qualified to lead the Tory imperialistic party as an advanced protectionist party, and having qualified further to resurrect the old Manchesterian Liberal party, apparently has qualified also for the leadership of socialism in offering what is perhaps the most advanced socialistic proposition I

have so far heard in this House. Of course, I would not discard it on that account. I was reminded while listening to the hon. gentleman of his propensity for quoting great Englishmen. Have you noticed, on political and parliamentary questions involving matters of precedent, how frequently the hon. gentleman resorts to Gladstone, while in economics Adam Smith seems to be his source of inspiration? I fancy a good Liberal conscience is haunting the powerful brain of the hon. gentleman. There I was reminded of an utterance of Sir William Vernon Harcourt when he was Chancellor of the Exchequer. One day he was introducing a measure, I forget just what it was, and someone interrupted saying: "That is socialism." He said: "What of that? Are we not all more or less socialists to-day?" In a sense that is true. If by socialism we mean that we must have regard to the interests of society, to the interests of the state, as covering and protecting the interests of the family and the individual, I am quite agreed on many socialistic ventures. No doubt society has been too frequently in the past sacrificed to individual interests and appetites or even grievances.

The plan proposed by the hon. gentleman is interesting but it is just as well to see it as it is. He was interrogated three or four times by the Minister of Finance and the Minister of Railways, I think: Well, is that not enforced borrowing? No, no, was the answer. Of course it is. I have worked in insurance companies; that is, I have endeavoured to create and to put on a pretty fair footing a small company in my province, and I know how this goes. The inspector comes every year, looks up the books of the company, finds out what are the outstanding policies and what is the amount of the reserve. He comes there with the law in his hands and he tells the company: You must present me with a certain value of certain investments in order to respond to the requirements of the law. There is a list of investments that serves to cover the reserve. But if the state comes in and says: The first thing I do is to impose upon you 4 per cent national debentures which must form part of your reserve, then I say: You force the company to lend you money at 4 per cent. There is no use in playing with words. I do not say it is wrong but it must be examined into carefully. In the case of large companies that have been operating for years I do not think there is any harm and, indeed, there may be much good in such a policy. But if you enforce upon small companies at the beginning certain values and thus restrict their earning capacity, you may put them into a rather difficult position to start with. I admit however that is a detail that will have to be studied. What interests me is the advancing of the idea and it has to be taken up. We must not start with the idea that some of those things are repugnant to past traditions. We have broken all traditions. We have put upon the shoulders of the people of this country a war debt of $2,500,000,000 for a quarrel in which Canada was no more concerned than Greenland.

Mr. GEARY: Oh, nonsense.

Mr. BOURASSA: That is my view and the view of many Canadians.

Mr. GEARY: I beg pardon. I was rather thinking aloud.

Mr. BOURASSA: I have no objection to people thinking otherwise. I respect all opinions, especially of those gentlemen who have sustained their opinions at their own risk and expense, as the hon. gentleman did.

Mr. GEARY: I am sorry I interrupted the hon. gentleman.

Mr. BOURASSA: I have much less respect for those who have taken the best advantage possible of that sincere sentiment in some and of the imposition of that war burden upon the rest of the country, to enrich themselves. The sooner we reach them in the most practical manner the better. But unfortunately I am afraid that the further we get away from the war, the more difficult that will be. I agree with the hon. member for Winnipeg North Centre (Mr. Woodsworth) that the honest, equitable and sensible manner in which we should have provided for the reimbursement of our war debt would have been a capital levy during and immediately after the war, would have been to follow up the growth of capitalism during the war, in order to find out the source of prosperity of many of the industries and individuals who gathered wealth during the war, while masses of the people were shedding their blood and paying out their money. But of course the further we get away from the war, the more difficult it will be to apply this principle of justice, because at the present time, with the system in vogue not only in this country but all the world over, a vast proportion of that infernal wealth, acquired by theft and crime, by the exploitation of the good sense, the patriotism and the blood of the masses of the people, is in the hands of other parties who are innocent of its origin. That is one of the results of the system of modern capitalism. The creators of immoral,

unreal wealth, soon find means of getting so many people to partake of the titles upon which their wealth reposes, that they create a community, I will not say of accomplices, but of associates who cry out, "socialism," "communism" and "spoliation" the moment the state comes out and challenges the validity of their titles or endeavours to tax them. That is the great difficulty.

But at least let us see things as they are; let us confess the reality of things. Let us instruct the people on that very situation and by all means let us endeavour to readjust our fiscal policy. Let us try to impose the burden of taxation, I will not say so much against the rich as for the relief of the poor. I partake of the views of the hon. member for West Calgary (Mr. Bennett) to this extent, that everybody must pay something, but I end with these words: All people must pay according to not only their means but their social usefulness to the nation and to the state. The father of a family who bears for twenty or twenty-five years the material and moral burden of raising the proper kind of children for this country is the best contributor to the material as well as to the moral wealth of that country, and I think that must be taken into account when you raise taxation and speak of the power of paying. The tax is not always paid in money although it takes a great deal of money to-day to raise a family. It is paid with mental effort, with moral dignity, with all contributions to the development of those young men and girls who will be the people of Canada to-morrow. I think everything we can do to help fathers of families to bear the social burden of taxation as easily as possible is the best contribution we can make to the prosperity of the country.

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

Mr. THOMAS CANTLEY (Pictou): Mr. Speaker, in continuing the debate on the budget I have no intention of tendering any lengthy or profuse compliments to the Minister of Finance (Mr. Robb); his native honesty is apparent to and his courtesy recognized by all members of the House irrespective of party affiliations. His ideals as to the best fiscal policy for this country naturally do not meet with the entire approval of hon. gentlemen on this side. Speaking for myself, I was disappointed, greatly disappointed, that the Minister of Finance made no provision looking to any relief or protection for the iron and steel industry of Nova Scotia, or for any encouragement to the coal-mining industry of either eastern or western Canada. Providence has been exceptionally kind to the agricultural industry of this country during the past three years, and probably the great majority of hon. members will agree that whatever amount of prosperity we may have had in this country, be it great or small, is due almost entirely to the bountiful harvests which Canada has enjoyed during that period.

Before dealing with the budget I wish to refer to a statement made at the last session by the hon. member for Labelle (Mr. Bourassa), and which is reported at page 550 of revised Hansard for 1926. Speaking on January 29th last year respecting our exports of raw materials, and replying to the then hon. member for South York, Mr. W. F. Maclean, he made some reference to the export of nickel from this country and its entry into Germany. The hon. member for Labelle had spoken of our extracting the mineral and sending it to the United States to be converted into the various forms for which nickel is adapted. Mr. Maclean interjected the remark "And to England", to which the hon. member for Labelle replied:

> Not only to England, too, if my hon. friend will allow me. I should not like to open up that vista upon our so-called imperial policies, but I suppose my hon. friend knows that not a German warship could have been finished, not a German cannon could have been hardened to the point of usefulness, had it not been for the Canadian nickel controlled by the international company—

The hon. member for Labelle made some reference to the various armament firms of Great Britain, Germany and France, and then stated:

> —so that every German cannon which was hardened with Canadian nickel and loaded with shells similarly hardened, which helped to kill sixty thousand of our sons, brought tremendous dividends to the numerous bishops, lords and members of parliament of England, who drew their dividends from the German weapons as well as the Germans did from English weapons.

These statements were commented on by the then leader of the opposition, Right Hon. Arthur Meighen. Replying to him the member for Labelle again referred to the matter and stated:

> I should not like to develop this theme at too great length now, as I hope to have occasion to do so at a later date. I may say, however, that all my information was secured in London from high officials of the Naval department, from gentlemen connected with the Department of the Chancellor of Exchequer and from people who have traced the capitalization of the armour trust under which all those companies drew their dividends.

I was interested, surprised and amazed at the statements the hon. member for Labelle then made, and I awaited with interest his further reference to the matter, which he intimated at that time he would make. However, the session ended without the matter being developed as my hon. friend had intimated. In dealing with the subject of nickel as an alloy with steel he evidently suffered from the disability incident to reliance on second-hand information, and that most defective. Probably I am seeking trouble when I venture to criticise any statement made by a gentleman so vastly abler in debate, indeed, one of the most exuberantly eloquent and idealistic debaters of this or any former parliament. Still the matter is, I deem it, of importance, and I think should not pass without some attempt at correction. The statement which I have already quoted, "Not a German ship could have been finished, not a German cannon could have been hardened to the point of usefulness, had it not been for Canadian nickel," is far from accurate as to the idea obviously sought to be conveyed. The property of nickel as an alloy with steel is not primarily hardness, but rather toughness and ability to resist shock. To illustrate, a large proportion of the steel used in the Quebec bridge is steel having say three per cent nickel. Here hardness was not the end sought, but toughness and ability to resist shock, due to the impact of rolling loads.

The largest consumption of nickel alloy steel to-day is in the automobile trade. In automobile construction during the year 1924, 4,800,000 pounds, or 2,400 tons, of nickel were used in the form of nickel steel in the construction of the 3,600,000 cars made in that year. Probably it is safe to say that on the average, nearly two pounds of nickel are used for each automobile built, due to the increased fatigue strength and toughness of nickel-bearing steel. In locomotive construction, side rods, and nickel cast-steel side frames are replacing those of ordinary carbon steel, the nickel steel castings testing up to a yield point of 56,000 pounds, and with a tensile strength of 90,000 pounds per square inch, and giving elongation of 27 per cent in two inches with a reduction of area of 47 per cent—material undreamed of even as late as five or six years ago. Heat-resisting and corrosion-resisting alloys of nickel are now also widely used.

Getting back to the point stressed by the hon. member for Labelle, that of the property of adding hardness to rolled or forged steel plate, sheets, structural steel or ship armour plate and ordinance, I would point out that the Brinell hardness test shows this with even as high as 5 per cent nickel to be but 12 per cent, or from 241 to 270 while the improvement in toughness was almost 100 per cent; in other words, toughness is imparted to the steel, rather than hardness. The fact is that as a hardening agent nickel is unimportant and is far surpassed by several other metals —notably manganese, vanadium tungsten and chromium.

As demonstrating the relative values of nickel and manganese as hardening agents in steel, I have here, and will, with your permission, Mr. Speaker, place on the table of the House a piece of quarter-inch steel plate, of nickel alloy, heat treated, which analyses as follows:

Carbon	.28
Phosphorus	.28
Manganese	.48
Sulphur	.034
Nickel	3.01

The bullet hole seen in this plate was made by regulation standard ammunition, fired at New Glasgow some little time ago from a German army service rifle, at a distance of 25 yards, the plate being backed by a six inch block of well seasoned oak. The block of wood was penetrated to a depth of fully 3 inches by the bullet after its passing through the plate as here shown. This will show you, Mr. Speaker, how much effect three per cent nickel has as a hardening agent.

I have here another piece of plate of the same thickness, one-quarter inch, which analyses as follows:

Carbon	.45
Phosphorus	.022
Manganese	1.51
Sulphur	.030
Nickel	none

The analyses, apart from the percentage of manganese and the total absence of nickel in the second plate, are practically the same for both plates. This second plate was tested with British VII cordite ammunition with a muzzle velocity of 2,400 foot seconds. The bullet was nickel jacketed, and sharp pointed, weight 175 grains, equal to 427,000 impact energy. I then further tested this plate with German Spitzer ammunition, .311 calibre, weight 154 grains, which chronographed at 2,915 feet per second, equal to 510,125 impact energy, when fired from a German army service rifle. Six shots were fired at this plate, one at 40 yards, two at 5 yards, and three point-blank, at one yard. None of these penetrated this plate, which you can see remains still unbroken and unpierced.

The behavior of these plates under ballistic test proves, I submit, that nickel has little virtue as a steel hardening alloy in the case of battleship armour plate or ordnance, or in the hardening of German cannon and shells, as the hon. member for Labelle put it.

As to the metals useful as steel alloys, Canada produces manganese and chromium. We have also tungsten, vanadium and molybdenum all available, and were the Germans entirely deprived of nickel they could still put ships in the battle line and confront our armies with all types of artillery. The lack of copper gave the Germans much more concern than did the lack of nickel. Nickel is of much more importance in industry than it is in war, and it really seems silly to get excited over its distribution either to the Germans or to anyone else.

I now wish to refer to the unfortunate position in which the steel trade of Nova Scotia is left by this last budget. Sir Charles Tupper in 1887 gave Canada the first scientific iron and steel tariff we ever had. Ten years later, the Hon. W. S. Fielding brought down his budget, which reduced the duties generally from say $13 per ton on steel bars to $7 and $8 on different classes of steel products, but made up the difference by a system of bounties which continued for five years, or to 1902. In 1903 the bounties were continued until 1907 when a further revision was made by which they were gradually reduced until they ran off in 1910. When introducing his resolution in 1902 Mr. Fielding intimated that as the bounties were reduced, or at least as and when they expired, the steel manufacturers might reasonably expect that the scale of duties on iron and steel would again be revised to the end that the steel trade protection then existing would be maintained. Unfortunately for the industry and the country, such was not done. Following 1905, under the stimulus of the Tupper tariff and bounties of 1887, and those of the Fielding policy of 1897 and that of 1902—about which date the production of steel ingots first exceeded 200,000 tons—the production in the main steadily increased until 1913 when it had reached 1,168,993 tons. During the last years of the war the average output was 1,682,536 tons, that of 1918 being 1,873,708 tons. Since that time the production has greatly lessened, until in 1926 the total output is put down as 737,000 tons, or but 44 per cent of the last war year and about 65 per cent of the best pre-war year, namely, 1913.

In Canada we have to-day fifteen modern blast furnaces capable of producing 1,800,000 tons of pig iron, yet our production of pig iron for 1925 was but 570,397 tons—33 per cent less than that of 1923. During 1926, while the official figures are not yet obtainable, the output was probably about 725,000 tons, or nearly 20 per cent below that of three years ago. So that nearly 60 per cent of our blast furnace capacity and associate equipment and plant remains idle and unproductive.

I should like to refer, Mr. Speaker, to what the protective tariff policy has done to foster the industry and to put us in a position to meet the conditions arising out of the great war. During that period our annual gross value of manufactures increased from $1,407,137,140 in 1915 to $3,520,731,589 in 1919. During the war period Canada made 75,000,000 shells, of which more than one-fifth were forged in New Glasgow, Nova Scotia. Total munition contracts, apart from shipbuilding and aviation contracts, authorised and carried out in Canada were $1,014,000,000. Canada also supplied to the United States munitions to the value of $32,785,806.

Canada produced in 1918:

Open hearth steel	1,684,317	tons
Electric..	115,854	
	1,800,171	
Steel castings..	73,537	
Total..	1,873,708	tons

Of which 1,001,308 tons were rolled steel. That we were able to engage in this trade and increase the trade and exports of Canada so enormously as was done during the war years, which did so much to put us in a position to meet the expenses of our participation in the war, was due to the fact that years previously we had embarked upon the manufacture of open hearth steel and when the war broke out we were able to demonstrate to the War office authorities of Great Britain that in this country we could make steel which was eminently suited for producing the munitions of war, in short that our basic steel was for their purposes fully equal to acid steel, which they formerly used. The result was that we built up an enormous trade in munitions which went far toward enabling us to meet our extraordinary expenditure during the war period.

The rated capacity of the Nova Scotia open hearth steel furnaces is 44,000 tons per month. The coal required for the full production of these furnaces would be over 200,000 tons per month, or say 2,500,000 tons yearly, a quantity as great as the largest tonnage of Nova Scotia coal sent into the St. Lawrence market during the entire season of open navigation in recent years. And as nearly half of this would be

consumed in the winter months after the close of navigation in the St. Lawrence, such an outlet would go far to furnish employment to our miners during this—under present conditions—season of unemployment.

I should like to point out further that, as to the reductions made in the agricultural implement duty and the relief afforded the automobile manufacturers last year, the great bulk of the cost of doing so fell on the iron and steel trade of this country, and largely on that of the maritime provinces. To illustrate that point I would like to take one item as given in the returns, which shows that the importation of these items in 1924 reached a value of $2,211,000. In 1925 it was slightly less, $2,035,000, while for the year 1926 it rose to $3,463,287, an increase of more than fifty per cent. Owing to the provision that one-half the value of the automobile had to be manufactured in Canada our manufacturers of cars imported billets from abroad—chiefly from the United States, the balance from Germany—and from such steel billets and bars forged the automobile axles. That provision did not help the steel industry of Canada one iota, because Canadian steel was not used in the production of automobiles; it was all imported.

The iron and steel trade has had to bear all, or nearly all, the reductions made in duties on agricultural implements. Under the tariff exceptions covered by items 445, 446, 446b, 447b, 448 and 591, the imports of steel from the United States in 1925 represented a value of $767,706; in 1926 that value had climbed to $2,037,000. But that is not a fair statement of the case, because prior to 1925 this class of steel enjoyed a rebate of 99 per cent. Allowing for this, however, the fact remains that over $2,000,000 worth of steel was imported free from the United States last year for the making of agricultural implements. The Nova Scotia Steel and Coal Company at one time supplied a considerable proportion of the agricultural steel used by the implement makers of Ontario and Quebec, but due to putting practically on the free list most of the material used in the manufacture of agricultural implements, the Scotia Company have been forced to scrap fully a quarter of a million dollars' worth of plant, designed, built and installed solely for the purpose of producing steel for the manufacture of these implements. That capital has been lost and that portion of our trade wiped out. Therefore I say that the steel industry has had to bear the brunt of all the concessions given in recent years to both the implement and automobile manufacturers of this country.

[Mr. Cantley.]

The tariff board has functioned for about a year, and so far as the public is aware has accomplished very little of a constructive nature, and so far, as regards the coal or steel industries, simply nothing. The Minister of Finance this afternoon gave us more information than we have had hitherto in regard to what has been done by that board. I rather think that his statement of what it has achieved was not such as to greatly impress the House with its value.

I am sorry the minister is not in his seat, because I should like to point out to him what the situation is in some of the towns of the maritimes as a result of the condition of affairs that I have attempted to describe. On the hillside above the Scotia plants at Trenton, also at New Glasgow, are hundreds of steel workers' houses. Many of them are empty; others are lost to the owners who, having invested the savings of a lifetime, are now being foreclosed and sold out by loan companies. The builders of these houses and hundreds of others of our best steel workers, mechanics and fitters, able to take their place alongside the best mechanics on the continent, are to-day in Detroit and other United States cities, solely because the steel trade of Nova Scotia has been the victim of a defective tariff policy.

I have before me a copy of the Canadian tariff. It contains about seventy items which are on the free list or under the 99 per cent rebate clause. This Canadian iron and steel tariff is the most irrational, illogical and mixed mass of out-of-date items that it is possible to imagine. We have in this tariff items that have stood unchanged since the first iron and steel tariff was formulated in this country. Some of these items refer to classes of goods and materials that are not made and have not been made in Canada for twenty years. I refer to Swedish rolled iron and rolled steel nail rods for horseshoe nails. No Swedish iron horseshoe nails have been made in Canada for years, and still that item remains as part of the tariff. There is another item referring to the small spindle that goes into the knob of a door lock. It has stood on the free list for thirty years, although there is not a mill in Canada that could not roll in a few shifts all of this material consumed in Canada in the past ten years. I could also refer the House to a lot of other items that are just as objectionable and just as ridiculous.

The iron and steel pipe makers of Ontario and Quebec are favoured by the present tariff to an extent that probably is not realized by many hon. members. They are able to import iron and steel skelp from the United States

or from any other foreign country at a duty of five per cent, while they have a tariff on their own product running from 27½ per cent to 30 per cent. There is no reason why the furnaces and mills of Nova Scotia generally should not provide that skelp, and would if we were given an equitable proportion of the protection on pipe. Surely, Sir, we are entitled to the same protection on steel skelp as the manufacturers enjoy on their pipe. I go further. We have a very much greater right to protection, because the capital employed in the production of the steel embraced in the skelp is infinitely greater than the capital employed in the manufacture of skelp into pipe. In addition to that, the volume of labour employed in turning skelp into pipe, which is a very simple operation, is very slight compared to the labour involved in the production of the skelp. Now, why should we have a tariff which discriminates against an industry in which large volumes of labour are employed and large amounts of capital are invested as compared with one in which the capital investment and the labour employed are trifling.

I should like to refer now very briefly to the question of coal. During the war years Nova Scotia bunkered the warships, battle cruisers, and converted liners, which kept the Atlantic trade route free to national and neutral commerce. With Nova Scotia coal was also bunkered thousands of British, allied and neutral steamers, liners and freighters, which put in for examination at both Sydney and Halifax en route to British and allied ports, being freighted with men, munitions and army supplies. Nova Scotia was then all-essential to the successful prosecution of the war. Now the war is over and our miners must remain idle during most of the winter months because of defective trade, tariff and transportation policies. To obtain the maximum output from our Nova Scotia collieries as now developed and equipped we must have more men during the active shipping season than are now available. At the present time, during the winter season, thousands are idle. This condition must be remedied and I ask the Minister of Finance (Mr. Robb) and the government to now provide that remedy. This lack of men during the shipping season will explain some of the difficulties to which our friends at the lower end of this side of the chamber have been referring in the last two or three days. It is imperative that we have more miners in the summer months in Nova Scotia than we have to-day if we are to attain our maximum output. What happens when the St. Lawrence is closed to navigation? We provided two and a half million tons of coal for the St. Lawrence last summer. It is indeed our only market. During the winter months that market is closed by ice. The result is that a considerable proportion of the miners in Cape Breton to-day are idle, including some of those who recently came from the other side, although their condition is no worse than that of our native mining population. This condition is altogether due to the fact that we have not a sane, reasonable, workable tariff policy in regard to fuel. Why should we buy from sixteen to twenty million tons of coal a year from the United States when there lies in Canada, in the east, in the west and in the central provinces, one-seventh of the entire coal supply of the whole world? If we were sensible we would so regulate our affairs as to be independent as to fuel of any nation on the face of the globe. Why do we not do so? The time will come, and it will not be long deferred when the people of Ontario and Quebec will be unable to obtain American anthracite, which to-day they think indispensable. I have here some fifteen resolutions presented to the House of Representatives in the United States during the years from 1923 to 1926, memorializing congress to enact laws to prevent the exportation of anthracite to any country whatever. This for the reason that the people of the United States realize that within a very few years their supply of this coal will be entirely exhausted. I wish it were exhausted now, because there is no reason why we should buy one ton of anthracite coal from any source, especially when those who have it do not want to sell it to us.

Mr. PERRAS: What was the difference between the price of coal in July and in October of last year?

Mr. CANTLEY: Where?

Mr. PERRAS: In the maritime provinces.

Mr. CANTLEY: There was no appreciable difference so far as I am aware.

Mr. PERRAS: Give us the figures.

Some hon. MEMBERS: Oh, oh.

Mr. CANTLEY: This national fuel question is not a laughing matter; it is a serious question in the province of Nova Scotia and it should be regarded in the same light by every member of this House, no matter from what section of the country he may come. I trust that the Minister of Finance when he comes to consider the Duncan report will so approach the question of coking plants that we shall be able to dispose satisfactorily of

our fuel problem, with a view to replacing American anthracite. If this were done it would not only be satisfactory to Nova Scotia but it would cheapen the cost of this form of fuel for the people of central Canada.

I have already made a slight reference to the tariff board and I want to offer the Minister of Finance a suggestion. The customs tariff as it now stands and has stood for several years is grossly unfair to the maritimes, and instead of a board of inquiry who, during a year's labour, have produced nothing tangible, the minister should himself investigate the matters affected, as did his predecessor, who took the trouble to go over the whole of Canada, holding sittings in various industrial centres and familiarizing himself with the actual conditions. He did not rely on any commission to supply him with information which he considered it his duty to obtain at first hand. The Minister of Finance is a level headed business Scot, and I hope he will appreciate the importance of the suggestion I make and act upon it. If he does we shall be delighted to see him in Nova Scotia, and to do what we can to give him all the information he wants which will be of benefit to him in his capacity of Finance minister as well as to the province of Nova Scotia and the Dominion at large.

Mr. E. J. GARLAND (Bow River): Before I discuss the budget I desire to refer for a few moments to the address delivered by the hon. member for Toronto West Centre (Mr. Hocken). I was amazed at the extraordinary presumption of knowledge of farming displayed by that hon. gentleman, and the most astonishing statement he made in the course of his speech was that as a result of the introduction of certain improvements in farming implements, the farmers had nothing whatever to do between reaping and harvesting. That may be true in one or two instances where the farmers can grow their crops under dry conditions which enable them to use what is known as the combined harvester and so thresh as well as cut about the same time. But if the hon. gentleman knew anything at all about farming he would know that the number of these machines in Canada is quite limited, the cost being so very high; and he would know also that a good part of the price of these machines is due unquestionably to the protection which the implements still carry. Further on in his remarks, the hon. gentleman rebuked the farmers of the west, who he said were more prosperous than any other class of the population. I hope I quote him correctly. He thought that the farmers in the prairie provinces were in a more prosperous condition than any other class, and he gave as the reason the fact that they received more privileges from governments than anybody else. He cited amongst other matters the Crowsnest agreement and pointed out that the country suffered because of the application of these rates, which were, he said, unfair. Further, that the railway companies did not profit by these rates; and so on. I do not wish to go at any length into a discussion of this question; I do not need to. The answer is clear and simple. Hon. members in all parts of the House who were members of the committee investigating the Crowsnest pass agreement, know very well that under oath before that committee the unrefuted statement was made that even if the whole Crowsnest pass agreement were restored, rates under it, excepting in one instance, would still be higher than rates on the same commodities over similar distances in eastern Canada. That is my answer to the hon. gentleman who alleges that we are profiteering, so to speak, at the expense of the railway companies and also of the general population of this country.

Furthermore, quite recently Mr. Vien, a member of the Board of Railway Commissioners, made this statement to the Canadian Pacific railway counsel:

> The Crowsnest rates are very, very profitable.

Subsequently Canadian Pacific officials under cross-examination agreed that the rates were very, very profitable. Where then does the argument of the hon. member for Toronto West Centre stand? The hon. gentleman should also remember this fact, that on all the products we ship from the western provinces outward for sale anywhere else we secure special rates only on export commodities. Our products when sold are sold subject to a deduction of transportation rates from the price. The hon. member should get into his mind this fact, that on the other hand manufacturers add to the price of their commodities the total freight to the destination, so that not only are we as primary producers compelled to have deducted from our price the transportation rates on what we sell at the time we sell it, but when we buy commodities from the hon. gentleman's friends in eastern Canada—and we are very glad when we can buy them; they are sometimes very

good—we have to pay transportation charges upon them all the way out. We are thus caught both ways, and still he alleges that this is a special privilege to us.

There are many other questions which might be taken into consideration but I do not wish to dwell too long on the hon. member's speech. Let me take up briefly just one other point at this stage. He suggested that to-day, owing to the introduction of labour-saving devices, we were becoming very prosperous. Of course we know that is ridiculous. We know that the same labour-saving devices are applied in eastern Ontario and farming conditions there are anything but prosperous. Although in western Canada we had last year a relatively large crop, the grade was very low and the net result to the farmer was not high. On account of the quantity of grain reaped by most of us it was a year in which we did not lose as much as we lost in other years and some districts made gains. On the whole conditions were little better than those of the last five years so far as agriculture was concerned. It is only fair to make that statement. But for hon. gentlemen to suggest that we are amongst the prosperous classes is ridiculous.

About the time, let us say of Lincoln, out of every one hundred persons seventy were engaged in agriculture. This meant simply that seventy farmers or farming people produced enough food supplies for themselves and thirty others and, in addition, they may have had a little for export. To-day, as a result undoubtedly of labour saving devices and improved farming methods, roughly thirty out of every one hundred persons are engaged in agriculture. This means that thirty persons are supplying themselves and seventy others with food supplies and, in addition, have a vast surplus for sale in foreign markets. On that basis, if on no other, agriculture should be the most prosperous industry in this country, instead of being amongst the most depressed. The proposition is so simple that one need not worry about it any longer.

May I say to the Minister of Finance, a man for whom I have the deepest respect and affection, that he has succeeded at least in introducing into this House a rich man's budget. It is a triumph for the rich man in this country. It is disastrous for the poor man in this country. It offers nothing to the great working classes, the great masses of the people, except what they can secure on what may through good fortune be passed on to them through possible reductions in the price of commodities as a result of the reduction in the sales tax. It is problematical whether retailers and wholesalers will pass on that reduction except in the case of high-priced commodities; but as regards articles of low value there is very little possibility that any of the reductions will be passed on to the common people. Therefore let me sum the budget up at the opening of my remarks; let me give it a title, we will say. It is a rich man's budget. You will like Robb if you have a big income; you will not like Robb if you have not a big income. Some hon. members belonging to the august Conservative party to my right say that they do not like him; that they hate him. I think they do politically speaking; none of us does, personally speaking.

The Minister of Finance appears to have taken a good deal of his policies from Mr. Mellon. Mr. Mellon is a very astute man, but he represents, as no other man does in the United States, the big interests of that country. Far be it for me to say that the Minister of Finance represents the big interests of this country, but certainly he is doing his best to assist them. There have recently come to us some despatches in which it is indicated that Secretary Mellon's triumph in the enactment of the new tax law means that he has saved to the richest individuals and corporations in the United States more than $3,000,000,000 in federal taxes. We have not enough people in this country to enable the Minister of Finance to do that; but if we had, no doubt he would do it. Twenty millionaires were listed, showing the amounts they saved by the 1926 tax law over their tax of last year. For example, Mr. Rockefeller Junior, who gave $10,000 to the Republican campaign fund in 1924, saved, as a result of the introduction of that law, $2,762,000 of the payment of $6,277,669 he made in 1925. Mr. Henry Ford, who does not seem to have contributed to any campaign fund, is said to have saved $1,147,875, and Edsel Ford saved $949,544. Strangely enough, Mr. Mellon himself comes next—I do not know whether the Minister of Finance is in the same position; perhaps he can inform us later—with a saving of $828,348. He too gave $10,000 to the party campaign fund in 1924. Far be it from me to suggest that there is any connection between the income tax reductions of this year and the campaign funds of either party, but the time is now come in this country when the fullest possible examination into

the sources of campaign funds is overdue, and on that point I intend to dwell at some length a little later on.

Before I get to that stage let me take up the budget items in sequence. It is proposed to make a reduction of 10 per cent in all rates of the income tax. Last year's reduction was swallowed—well, reluctantly by some of the members of this corner of the House, because we were convinced, or had been convinced by specious argument, that it meant an increase in taxation of the richer people and a saving to those who did not have big incomes. However, we unwillingly swallowed it. The situation in the House may have justified us to some extent in so doing. We had an extensive program of legislation to carry into effect, but notwithstanding the plausible argument that the rich were being taxed more and the poor less it would not have taken much for us to have opposed it. But this year no longer does there exist any excuse for supporting a budget which proposes to reduce the income tax all the way round. I say so because in this country the great majority of the people, by far the great majority of the people, pay no income tax, nor can they pay it. The income tax, indicated this afternoon, is a war tax. That is, it was introduced during the war years for the purpose of assisting in meeting the cost of the war. It was introduced into Great Britain, about the time of the Crimean war for a similar purpose, but its advocates have always insisted on the introduction of the income tax in order that amongst other tax reforms it may be used by steadily increasing stages to replace unfair indirect taxation. Hon. members to the right of the Speaker, who are fairminded men who sincerely and conscientiously believe in low tariff and think that the future of this country depends upon the development of her natural resources rather than on the fostering of artificial industries, will certainly have some difficulty in explaining the position which they have taken so far on this point. They should not overlook the fact—I do not think they are overlooking the fact, they are simply blinding their minds temporarily to it; but it will be brought subsequently to their attention with great force and strength that every step taken in the direction of reduction of income tax takes them further and further away from tariff reduction. Not only that, but it takes away from them the ability to tax those who can pay and are able to pay because of the war, because of the profits made in the war, because they were the people who accumulated during the war vast sums, vast fortunes, as a direct result of the war. It is true some of it has been distributed through death, inheritance, distribution of estates, and so forth, but the bald fact remains that the people who now are in a better position than any others to pay income tax are those who have profited, either directly or indirectly, from war conditions. It is not fair to the public, it is not fair even to hon. members opposite, that a Minister of Finance should introduce into this House a budget in which I say to hon. members opposite they had no part. I challenge hon. members opposite to tell me if they were ever taken into consultation upon this budget. The public does not know it. The public assumes —always has assumed, I am sorry to say— that the Minister of Finance before the introduction of the budget at least consults the party that sits behind him and is supposed to support him. I do not believe a single member opposite saw the budget, had it read to them, or knew anything about it before it was brought into the House. They are in the position that I am. It is not until after its delivery that they are able to form any idea with respect to it or are in a position to criticise it. Is that fair? It is in my opinion a most ridiculous position in which to place hon. members. That the nation's annual statement should be prepared by one man without consultation with anybody else is bad enough, but that he should budget for the nation's future, for the business or finances of the year, without consulting any of his party other than possibly the Prime Minister, is a most ridiculous situation, and one which still further emphasizes the necessity for the private members in this House, on all sides and in all parties, to do what they can to strengthen their own hands, and to take away from the executive council the steadily increasing usurpation of the control of the House.

Now I am going to come to another stage in this discussion. The Minister of Finance in his budget statement indicated that the war depression had passed. There is not a man in the country believes that—that is a man who thinks. There may be some who simply read headlines and will swallow such statements wholesale. There may be thousands in the country, aye millions, who, reading the headlines, "Twenty-seven million dollars tax reduction, twenty-seven million dollars savings to the people," will think that that is actually the case. It is so absurd to

put the thing in that way that it would be hardly worth while answering if it were not for the fact that so many people will believe it. So will people believe that there has actually been a doing away with, a destruction of, post-war depression. There may have been some abatement, but if the Minister of Finance had only turned to the statistics he himself placed on Hansard without reading them to the House he would have seen that fifty per cent—no less than fifty per cent—of the annual expenditure is still directly attributable to the war. On page 390 of Hansard a table, placed there by the Minister of Finance, shows that interest on the public debt, the result of war, amounts to $116,607,000 and there are these other figures; war pensions, $36,650,000; soldiers' civil re-establishment, $7,200,000; soldier land settlement (administration), $1,300,000—and by the way it does not take into account the tremendous losses that are going to follow that unfortunate scheme; Imperial War Graves Commission, $810,000; battlefield memorials, $200,000; adjustment of war claims, $155,000; or a grand total of $162,922,000, directly attributable to the war. And yet the minister says that the war depression is over. Yet the minister says: "Let us get rid of nuisance taxes and war taxes." It is all right for my hon. friends to my right. They have always been supporters of indirect taxation and in opposition to direct taxation, but my hon. friends opposite have certainly nothing to be proud of in a budget of this type. The Minister of Railways (Mr. Dunning), who comes down here from Saskatchewan surrounded by a galaxy, a veritable squadron, of low-tariff men, now finds himself in the pitiable position of having to swallow a budget which has not a single tariff reduction in it but worse still represents action directly opposed to the whole principle of direct taxation and opposed to the very principles he himself has very frequently advocated. I admit that political exigencies may require him to adapt himself to conditions, but I cannot believe for a moment that the Minister of Railways is comfortable; even now he scratches his eyebrows with uneasiness and with worry.

Mr. DUNNING: I would ask my hon. friend to explain, while he is on the subject of direct and indirect taxation, the gasoline tax of three cents a gallon imposed by the United Farmers government of Alberta. It may be interesting to reconcile the principles.

Mr. GARLAND (Bow River): I should say the gasoline tax was a direct tax. It is applied to the cost of the article and we know dashed well when we are paying it. Its visibility is unquestioned, and it ought to appeal to the hon. member for West Calgary. There is no doubt about its visibility, and if that is the best answer the Minister of Railways can make to my suggestion it simply demonstrates to its utter and complete conclusion the unfortunate position in which he finds himself.

Mr. DUNNING: I may have something to say later on.

Mr. GARLAND (Bow River): One of the most eminent professors probably in this country, Dr. J. C. Hemmeon, of McGill university, recently gave a very illuminating and interesting address to a group of individuals in this city, and among other things said by him was this:

> Income tax accounts for only eighteen to twenty per cent of the total federal taxation in Canada, while in the United States income taxation raises fifty per cent, and in Great Britain a still higher proportion.

Yet the Liberal government, Liberal with a large "L", is getting further and further away and collecting less than ever before from direct taxation. How under heaven is the party in power at the moment going to justify to the electorate, so badly deceived, the position they have taken on this question? The professor goes on:

> It is a little strange that when our income tax was the same as the United States, they raised 30 times as much from this tax as we did in Canada.

Now wait for the question: Was not the population larger? Yes, but by how much? Twelve or thirteen times. There is the answer. I do not think we have had in Canada a more inefficiently conducted department than the department in charge of the collection of the income tax. My hon. friend from Toronto West Centre criticised the farming class to-day so bitterly on this question and charged that we were self-interested in our position with regard to the income tax, implying that the position we were taking as a group on this question was directed purely by self-interest, that we were not paying income tax as a class, and we are not I admit except for a very small proportion. Let me just give the House some figures, and still further assist the hon. member for Toronto West Centre by quoting from an article which appeared in the Vancouver Province a short time ago:

The federal income tax for the last fiscal year yielded $56,197,056, according to a report made by the Department of Finance at Ottawa. The various provinces paid as follows:

Ontario	$26,539,342
Quebec	18,281,878
British Columbia	4,150,852
Manitoba	3,423,623
Alberta	1,445,075
Saskatchewan	872,761
New Brunswick	712,187
Nova Scotia	693,403
Yukon	40,503
Prince Edward Island	37,428

The returns show that Ontario paid nearly half the tax, and that Ontario and Quebec together paid four-fifths of it. British Columbia, the third province, paid something over 6 per cent. It is worth noting that British Columbia paid nearly as much income tax as Manitoba and Saskatchewan together, though our population is not much more than half theirs, and that we paid three times as much as the three maritime provinces, whose population greatly exceeds ours.

If these figures mean that our prosperity here on the coast was proportionately greater than the prosperity of the prairie provinces or the maritimes, we should have no complaint to make. But it scarcely means that. It means, on the contrary, that we, being more highly industrialized, have larger payrolls and therefore more people who are shining marks for the shafts of the income-tax collector. As a matter of fact, the income tax of Canada is paid almost entirely by the people of the cities whose incomes are easily ascertainable. The farmers, even in prosperous years, escape.

I do not think a more unfair statement could have been made. Now, Mr. Speaker, I wish to offer a challenge to the government and to my hon. friend from Toronto West Centre. If the farmers are not paying income tax it is only because of one of three reasons, or a combination of them: (1) They have no income on which to pay the tax; (2) the income tax collectors are inefficient in collecting, are not looking after their job; or (3) the farmers are crooked and are deliberately defrauding the income tax collector.

Mr. CAHAN: Or fourthly?

Mr. GARLAND (Bow River): I do not know of any other reason. Perhaps the hon. gentleman would suggest it.

Mr. CAHAN: Or fourthly, that the income tax provisions as they are now applied bear less heavily upon the income of the farmer, who raises the products of his own consumption and for the support and maintenance of his family, than upon those engaged in industrial occupation, to whose income the tax applies without any such deductions.

[Mr. E. J. Garland.]

Mr. GARLAND (Bow River): I will read that over to-morrow.

Some hon. MEMBERS: Oh, oh.

Mr. GARLAND (Bow River): I do not like hon. members to laugh at that, because I do not intend to be discourteous in any way. I am simply thinking of my own line of argument, and I find it difficult to get my mind off it and concentrate on some other point that may come up.

This is what I say to the hon. member for Toronto West Centre and the members on this side of the House, and to the press that has deliberately calumniated the farmer, and to any members on the other side of the House who may have been deluded by that propaganda: I challenge a full investigation into farm incomes. I challenge it with a full knowledge of what the results will be. We do not have to go very far back. We have only to go back to 1923 and study the evidence that was given under oath before the special committee on agricultural conditions to find out if the statements made on this side of the House and in the press are accurate. No, Mr. Speaker, as a class we have nothing to fear from the fullest investigation into our incomes in recent years. We are not evading the tax. We are willing to pay the tax, and always have been, and we only wish that we had an income that was large enough to be taxed.

I do hope, Mr. Speaker, that this will put some kind of quietus to this unfair propaganda which has deluded people who sincerely believe it—labourers in the cities, the working class, artisan, even the professional classes. In cities like Toronto and Montreal, many of these people firmly believe, as a result of this wretched stuff, that the farmers, especially in western Canada, are deliberately evading the income tax. I deny it, and I challenge the fullest investigation into it. I ask the hon. members who believe it, the hon. member for Toronto West Centre, for instance, to move a resolution for a committee, and he will get my whole-hearted support, and I am satisfied the support of this corner of the House, and members on the other side as well.

Mr. CAHAN: Why don't you move for the committee yourself?

Mr. GARLAND (Bow River): Because I am so convinced that the thing is an utter mistake, a most ridiculous misstatement, and that only insensible persons or people who have no knowledge whatsoever of the facts would believe it.

Mr. CAHAN: It might remove a very erroneous impression, then.

Mr. GARLAND (Bow River): I would be delighted to do it. Mr. Speaker, may I ask that the government establish such a committee? Let me offer it to them as a recommendation. I am afraid, however, that the Minister of Finance will find himself in a difficult position.

Mr. DUNNING: The hon. gentleman knows that an investigation into the incomes of a class would produce no results. The question is as to the income of the individual in every class as distinct from every other individual and that is the difficulty of arriving at an accurate conclusion.

Mr. GARLAND (Bow River): If the minister wants a clearer and a surer way to get at the facts, let him publish the income tax returns of the farming people in Canada. I offer that information as to myself freely. I am quite satisfied that if the department will only publish the income tax statements of the farming class, hon. members will get a good deal of information.

Mr. DUNNING: I agree. My hon. friend appears to think I am attacking his line of argument. Not at all. I am simply stating that the method of investigation he proposes would be futile, so far as results are concerned, as applied to a whole class. I think that the great difficulty with regard to the income tax is the fact that a very great many farmers have not the accurate means of ascertaining their own income which other business men have.

Mr. GARLAND (Bow River): As a representative of the farming class, I ask that in justice to us, and in justice to the public generally, the whole veil of secrecy over income taxation and income tax returns be removed. Let us have the truth. Let us have the whole situation put frankly before the people, and we shall see then who it is that is defrauding the administration.

Mr. CAHAN: Would it not suit your purpose just as well to make a clear distinction between the assessable income of the farmer and the assessable income of the industrial worker? The industrial worker pays rent. He is not allowed for it. He pays for every single article of food that enters into the consumption of his family. There is no deduction. But the farmer to-day has rent free, and he has the products of his own farm for the support of himself and his family, which the income tax does not touch.

Mr. GARLAND (Bow River): It is simply another demonstration of the unfortunate position in which armchair farmers sometimes get themselves. Let me tell hon. members that we have to build our houses. We have that capital investment to make. If we do not have to pay rent, all right, I agree with you that we do not; but one would imagine from what you say that we do not have to build our houses, that the food we consume and the lands on which we raise produce came to us simply by waving a little wand. The fact is we have to dig in, and we have to build our houses, and if our labour is not equivalent to the wages paid artisans, then what about it?

Mr. SPENCE (Maple Creek): We have to show these things in our returns too.

Mr. GARLAND (Bow River): Yes, we have to. We place on our returns an amount for every chicken consumed by the household. We make a return for all of them. For every egg produced. We do not have many eggs that spoil.

In a further analysis of the situation I would like to point out to the House that out of a population of something over 9,000,000 people only some 71,000 people were totally relieved from income tax returns last year. I am not sorry these people got some relief: but I believe the tax is based on a correct principle; I am completely in accord with the principle, as the hon. member for Labelle (Mr. Bourassa) pointed out, that every man should pay some tax. But it is absurd for any hon. member to believe that when a man buys anything he is not paying a tax, because there is not a thing which we consume, there is not a piece of clothing we put on our backs, there is not a household utensil, carpet, basin, soap or towel, upon which we are not paying a tax which goes into the pocket of either the manufacturer or the merchant. The hon. gentleman need not snort. It is a fact, and all the snorting in the world will not get us away from it. An ex-Minister of Finance, Mr. Fielding, stated in a budget speech that for every dollar that came into the revenue of the country as a result of customs tariff taxation three dollars went into the pockets of the manufacturers. He had charge of the administration of these things, and should really know what he is talking about.

Mr. CAHAN: But my hon. friend does not know.

Mr. GARLAND (Bow River): He was not challenged. My hon. friend did not challenge him and cannot challenge him.

Out of the total population of Canada last year there were 3,173,169 people gainfully employed, and one-fifteenth of that number were subject to income tax. Fourteen-fifteenths of the population gainfully employed—not of the total population but simply of those gainfully employed—did not pay any income tax. That means that their incomes were not high enough to pay taxes, or that the tax was not efficiently collected.

Let us pass to another stage, and ask who profit by the Robb budget this year. Take the city in which we now reside, and, applying that question to the city, find out just the exact position. Mr. P. H. Veale made a report of the income taxes paid to Ottawa in the year 1926, and this was published in the Ottawa Journal on 27th January, 1927. I will not read it all, but will ask permission to place it on Hansard.

Mr. DUNNING: Is that the federal income tax?

Mr. GARLAND: Yes.

Federal Budget 1927

Who will benefit by the reduction in the income tax rate of ten per cent? Mr. P. H. Veale, assessment commissioner of the city of Ottawa, made public a report of income taxes paid in Ottawa for the year 1926. This was published in the Ottawa Journal of January 25, 1927. The following table is taken from the report:—

Amount of assessable income	Number of income tax payers	Average assessable income of each class
1	2	3
Under $1,000	4,972	$ 354
$ 1,000 to $ 2,000	975	1,398
2,000 to 3,000	399	2,454
3,000 to 4,000	201	3,471
4,000 to 5,000	99	4,016
5,000 to 10,000	216	6,761
10,000 to 15,000	60	12,383
15,000 to 20,000	29	17,384
20,000 to 25,000	19	22,430
25,000 to 30,000	10	29,821
30,000 to 35,000	6	31,809
35,000 to 40,000	3	36,396
40,000 to 45,000	3	42,933
45,000 to 50,000	1	45,870
Over $50,000	20	132,426
	7,013	

It will be noted that 20 tax payers pay on an average income of $132,426 and Mr. Veale remarks:—"It will also be noticed that 4,972 income tax payers equal 14 per cent of the total income assessment, while 20 income tax payers equal 23 per cent of the total income assessment." He might have added that there are thousands who have not enough income to qualify them to pay income tax and they get no relief as there is no reduction in the tariff.

According to the last Income War Tax Amending Act (chap. 10, 1926), an income of $130,000 is assessed at the rate of 40 per cent or $52,000. Ten per cent reduction on $52,000 is $5,200. This answers the query as to who will benefit by the reduction in the income tax rate of 10 per cent.

Federal Budget 1927

Number of income tax payers	Percentage of all income tax payers	Amount of assessed income	Percentage of all assessed income
1	2	3	4
4,972	70.8	1,760,088	14.
1,674	23.9	3,437,451	29.
216	3.1	1,460,376	13.
131	1.9	2,446,207	21.
20	0.3	2,648,520	23.
7,013	100.%	11,752,642	100.%

There are over 36,000 wage earners, male and female, in the city of Ottawa. Of these only 7,013 have sufficient income to qualify them to pay income tax. Thus 28,987 (or 80.52 per cent) of Ottawa wage earners are not living, but merely existing on a pittance.

It is not satisfactory to know that a person with an income of $130,000 would be able to buy a couple more limousines or build an addition to his house, and it is not right to encourage the rich man to spend a little more money on luxuries while the great burden of the war debt still rests on the backs of the poor man. It is with regret that I find the Liberal party adopting a policy of this kind.

On the question of farmers and the income tax, let me indicate to the hon. members for St. Lawrence-St. George (Mr. Cahan) and Toronto West Centre (Mr. Hocken) one of the reasons why the farmers have not paid income tax as a class generally. The total capital invested in agriculture in the year 1925, according to the Canada Year Book, was $7,508,645,000 The value of all agricultural produce in that year was $1,453,368,000. Note that the investment of $7,500,000,000 gave a return value on the produce raised of $1,453,000,000.

Now let us come to the capital invested in manufacturing. The amount is $3,380,000,000. The manufacturing production, less cost of raw material, was $1,311,000,000. In other words, with a total capitalization of a little more than twice as much, agriculture receives approximately the same amount of return as the manufacturers do. Is it not a ridiculous position for a manufacturer to rise and claim for one instant that the farmers are defraud-

ing the country in regard to the income tax, that they are evading it, getting rid of it, and dodging it, while they,—the manufacturers—have placed upon their shoulders the full burden of it? You cannot convince the farmer that that is the case.

Now I come to one other question. For the fiscal year ending 31st March, 1926, the excise tax collected on matches, a pretty useful little article, was $3,991,999. On the basis of these collections the reduction the income tax made by the Minister of Finance this year will amount to roughly $548,000, over half a million dollars. Now, let us see who is going to get it. In the pre-war years if you went into a store you could buy one of these small boxes of smoker's matches for a cent. Taxation was imposed and the price went up to two boxes for five cents. These two boxes carry half a cent excise duty apiece, the two together one cent. The minister cuts off 25 per cent of that one cent—one-quarter of a cent. I ask any hon. gentleman in this House to indicate to me how the retailer is going to pass on to you or to me as consumers that quarter of a cent saving. So much for that. The housewife goes into a Dominion store and buys three boxes of matches in a single carton costing 25 cents, each box holding 300 matches, or 900 in all. The total saving on that carton as a result of the tax reduction will amount to 2¼ cents. Who is going to pass that on to the consumer? The fact is clear, Mr. Speaker, that not one cent of that $580,000 will go back to the consuming public; but it is a direct loss in revenue to the country. Who get it? Well, I hesitate to suggest that the hon. member for West Calgary Mr. Bennett) will benefit in any degree from it. It might enhance the value of his stock—but that is his own business anyhow. The fact of the matter is that the match companies in this country will have to pay to the government $580,000 less this year than they did last year, supposing the consumption of matches is relatively the same. They may pass the saving back to the wholesaler, being very honest and altruistic.

Mr. DUNNING: They must.

Mr. GARLAND (Bow River): All right, we will grant that they must. The wholesaler might pass it back to the retailer. But the hon. gentleman who has just interrupted me, the Minister of Railways, himself knows that as far as the western part of this country is concerned we do not deal in fractions of five cents. He knows that all over western Canada you would be laughed at to suggest that you could go into a store with 4¾ cents to buy two boxes of matches, or that the retailer is going to deduct 2¼ cents from 25 cents, the price of the 900-match carton. The fact of the matter is, and I challenge contradiction, that not a dollar of this tax reduction will be passed back to the consuming public; but the treasury is absolutely out of pocket $580,000.

Far be it from me, Sir, to suggest that this is the result of any peculiar situation that may have developed, but it is significant to note that there appears to have been established during this session an understanding of some nature or other in which the public certainly are interested, and upon which the public should be informed—an understanding between both the old parties.

An hon. MEMBER: No, there is no understanding at all.

Mr. GARLAND (Bow River): Well, perhaps my hon. friend had better wait a moment before he becomes too voluble about it. I read with considerable interest, after indeed listening to it previously, the speech of the hon. member for West Calgary. The whole tone was so placatory, so mild, so unlike the usual form of criticism that we have had in so able a manner from Sir Henry Drayton and other financial critics in past days, that one at least suspected there might be an ethiopian dodging around somewhere in this old woodpile. I was not surprised then at the speech by the hon. member for Vancouver Centre (Mr. Stevens) delivered some time previously, and I began to understand it. It was an amazing speech for a member of this House who has in the past been one of the bitterest critics the party opposite ever had, and one of the most able, a man who prepares himself with the greatest care, but tinctures with the bitterest gall the criticism he pours on members opposite.

Mr. JACOBS: He may have seen the error of his ways.

Mr. GARLAND (Bow River): He may have, but one wonders, and is justified in wondering, what sudden and extremely illuminating light came upon him to show him the error of his ways. It might have been a match—it might have been the striking of a whole box of matches. I thank the hon. member—I am not sure what constituency he comes from—for the suggestion, coming as it did from my hon. friend's own party. In his speech the member for Vancouver Centre intimated that the Conservative party had

expedited the passing of certain measures. They certainly have. He continued:

This afternoon we advanced several important bills for the Minister of Finance with scarcely any comment,—

It is quite true—and so different from last year!

—and I must say that the ministry have been very prompt in making brief statements and explanations.

The ministry certainly have.

I am exceedingly anxious that we should expedite the business of this session. We have had a couple of years of pretty hard parliamentary duty, and I think both the country and parliament will be the better for a little surcease from bitterness and controversy.

No doubt about that whatever.

I can say on behalf of my colleagues on this side that we have tendered to the House our hearty coöperation.

Now, to whom does he refer by in "the House?" Well, there is only one group of individuals to whom it would be necessary to extend coöperation. I cannot imagine the party to my right extending much coöperation to us. They had their opportunity last year—and did not take it. I assume therefore that some coöperative understanding has been reached with hon. members of the government, and I should like to ask hon. members opposite what is the understanding, when this year the Liberal party, having gone to the people only a short time ago and having been returned by a fairly large majority as the result of, in part, a low tariff budget and low tariff pledges. come down to the House with a strong phalanx from western Canada, all of them I presume honest and sincere low tariff men. Western Canada sent down one Conservative—one protectionist. Well, so far as the public can judge, so far as I can judge, that one man has more influence in the councils of the Liberal party than the whole phalanx from Saskatchewan, than all the members on that side of the House—and hon. members on this side of the House now assure me that is right.

An hon. MEMBER: Absolutely.

Mr. GARLAND (Bow River): What further evidence can you, Mr. Speaker, ask? I leave it to their conscience. I leave them to the people.

An hon. MEMBER: They have none.

Mr. GARLAND (Bow River): I do not doubt that a bit either. I do not think there is much conscience in a coöperative understanding between two political parties, each alleging itself to be opposed to the other, and inevitably putting up the same sort of sham battle to delude the people. It is another case of dear old Tweedledum and Tweedledee. Let me predict, Mr. Speaker, that during the remainder of this session you will see just one little scrap. It will be the pleasantest little session you ever saw so far as both the old parties are concerned, and only will they make one little mock battle, to interest the public and delude them, on the Duncan report. When the maritime question comes before the House, oh yes, my friends here will have to raise some sort of noise, unless they get all it recommends; and if they get it all, in what position are the Minister of Immigration (Mr. Forke), the Minister of Railways (Mr. Dunning), the Minister of Agriculture (Mr. Motherwell), the Minister of the Interior (Mr. Stewart) and all those other ardent low tariff spirits going to be? Under heaven what sense is there in the formation of a cabinet before a party of low tariff supporters in whose personnel there is almost an even break between protectionists and low tariff men? What under heaven is the use of it? If the Liberal party is sincere, if it believes in low tariffs and wants to have them, the only thing the Liberal party can do is to rid itself of the protectionists in the cabinet. Certainly the Liberal party can never adopt a low tariff policy nor carry such a policy into effect so long as the Minister of Finance is the person who now occupies that position, and so long as he is backed by the hon. member for North Bruce (Mr. Malcolm) and others as well. And there are many others. What a pretty spectacle it must be to see the hon. member for North Waterloo (Mr. Euler) and the hon. member for North Bruce, together with the Minister of Finance—I hardly think he worries the rest of them very much—sitting on one side, three of them, against the Minister of Railways, the Minister of Immigration and the Minister of Agriculture on the other side. A pretty spectacle indeed, and almost as ridiculous as the present railway commission; three men sitting on either side and blocking the proceedings whenever the need arises.

The hon. member for Toronto West Centre (Mr. Hocken) interrupted the hon. member for South Huron (Mr. McMillan) during the course of that gentleman's speech with a question as to why the farmers in the United States did not advocate free trade if they were in such wretched circumstances. And a further question was asked the hon. gentleman in regard to the McNary-Haugen bill. The

hon. member for South Huron was asked to explain that bill. Put the two together and you have the answer. The McNary-Haugen bill is a bribe to agriculture in the United States to accept protection; it cannot be interpreted as anything else. It is a bribe of the worst type and the farmers there will suffer for it, if they accept it. Do not let hon. members delude themselves. I heard the proceedings some time ago of one of the rural conventions in the United States —the Master Farmers' annual banquet in Nebraska. As hon. members who study agricultural conditions in the United States no doubt know, the master farmers in the United States are an organization of the more reactionary farmer class; they are the wealthy farmers, the men who have made a supreme success of their calling. One would therefore expect a measure of reaction from that group, and any bearings in the direction of shall we say, anti-protection would come from them as somewhat in the nature of a surprise. Yet only in January of this year at their annual meeting in Nebraska they loudly and apparently unanimously applauded the idea of complete free trade in pure bred stock. They suggested further that so far as they were concerned they would not be hurt by a lowering of the tariff barriers against our cattle. Nor would they be hurt. If, therefore, anyone suggests that the farmers of the United States are heart and soul protectionists, he is asserting something that is quite erroneous. The farmer of the United States is just as wise and astute in business matters as we are, and so long as the United States exports to the world at large so vast a quantity of its products as it does to-day, the farmer there cannot be anything else than a believer in a lowering of the cost of producing what he raises. Canada certainly leads at the present time in export, and to those who suggest that within a few years we shall become protectionists I would mention this fact that we export now, roughly, 300,000,000 bushels of wheat a year while the United States exports 186,000,000, a comfortable figure, almost 200,000,000. All other countries who are heavy exporters fall so far below that mark as to be almost insignificant: the Argentine 48,000,000, India, 11,000,000, and Australia, 8,000,000.

I regret this coalition that has been formed, this coöperative understanding or working arrangement that has been reached, and for this reason: the people were appealed to not only on the question of the tariff but for the purpose of establishing a stable government. The people did return a stable government. They answered the appeal of the politician to establish such a government, and not only did they provide the stable but they put a Forke in it. The unfortunate thing is that so far as this budget is concerned, the fork is either blunted or the handle is broken. There is the hon. member for Neepawa (Mr. Milne) opposite, who from his physical appearance would seem to be able to wield a fork, but unfortunately the handle of the fork is in the grip of two powerful hands—that of the hon. member for North Waterloo and that of the hon. member for North Bruce. I doubt therefore whether we shall see any moderation in tariff protection so long as the government is formed of its present personnel.

I would remind hon. gentlemen opposite that in the session of 1922-23 the Liberals had a majority in this House, and that in that year they did nothing in the way of reducing the tariff. That was the year of Mr. Fielding's "stability" budget. And how that budget was applauded by hon. gentlemen to my right! How they liked its stability! In 1924, however, the Liberals had no majority because of the situation that had developed. What happened then? They reduced agricultural implements materially. They came a little step nearer to the ideal which we and they have advocated, and the Minister of the Interior (Mr. Stewart) rang upon the dear old bell the deathknell of protection. In 1925 the government had again a majority of one or two as a result of some by-elections in the east, and again they did nothing. But in 1926 they were a minority group, so small that they had to depend for their existence entirely upon the support and coöperation of the groups in this corner of the House. In that year, when they were in the most precarious position that any government has been in in Canada, they did the finest work, they brought in the finest budget. They proceeded some distance in the direction of implementing their pre-election pledges and keeping their platform. In the year in which they not only had no majority but were in such a condition of abject minority that they had to depend utterly on the coöperation and counsel of the groups which surround me and with which I am associated, they achieved the most. That rather talks loudly for coöperation between those expressing similar principles. It ought to be an indication to my hon. friend from South Huron of the usefulness of some form of coöperation between groups, not for the purpose of merely expediting the business of the House, but of getting the best legislation enacted for the country. That is the thought that commends itself to me.

This year the party is restored, and with the assistance of the Liberal Progressives it had a majority over all. And this year a budget is

brought down in which nothing of real merit is proposed. The tariff is not touched at all. What is the excuse? The tariff board. How my hon. friends from Saskatchewan have rung the changes on the creation of the tariff board. Nothing should be done they say until the recommendations of the board are before us; that is what we are told. But there is not an hon. member on the other side from western Canada who does not know that while everyone who advocated the creation of a tariff board did so for the known and avowed purpose of preventing further increases in the tariff until an examination had been made, There was never at any time any conception in the minds of low tariff people in Canada that the board should be used as a shelter behind which politicans could hide in order to avoid keeping their pledges. Yet that is the position in which my hon. friends find themselves. I do not believe they will all support the present budget; I do not believe they can. Certainly it will amaze me if the hon. member for Maple Creek (Mr. Spence) and the hon. member for Weyburn (Mr. Young), splendid low tariff advocates, who I am sure are absolutely sincere, can find it in their hearts to support a policy which withholds from them that ideal situation which they seek to realize. No, Mr. Speaker, the thing is ridiculous. And when we make an appeal for the publication of the reports of the tariff board we are met with the astounding reply that it would not be wise to publish the evidence taken before the board for the reason that if we were to broadcast every report made to the minister it might result in drying up many sources of information. My answer to that is that it would certainly dry up a great deal of the present crying for tariff protection. Let me lay this down as a principle in which I firmly believe. That no tariff protection should be granted to any industry in this country until that industry has submitted to the public who must pay the cost, all information needed with respect to its profits, its general business management and all matters in connection with the industry. That is only fair. If the public are going to be taxed in order to extend to an industry a special privilege, then the public are entitled to the fullest information in regard to that industry.

I come now to the sales tax. I applaud the reduction in the sales tax because I believe in a measure it does assist the common people, not to a material extent, not to $27,000,000 worth, but slightly. Let me, however, suggest that it would have been more in keeping with the pledges of the party opposite if they had taken steps first to reduce the tariff instead of reducing the sales tax. Both are evil taxes because they are taxes on consumption, but the sales tax does not lend itself to such complete pyramiding as the other. There is not such a complete exploitation of the people under it as there is under the customs tariff, and so of the two the sales tax is preferable. Therefore there should have been a reduction in the tariff before a reduction was made in the sales tax.

I come now to a portion of my discussion which I approach with some hesitation. It again touches the question which I mentioned a moment ago, that of the corruption, the complete and utter debasement of both the old parties. I wait for a challenge. I have in my hands some of the evidence given before the royal commission investigating the Customs department. I remind hon. members of the evidence given in the committee of this House last year when amongst other witnesses we had Mr. Nash testify under oath that Mr. Hiram Walker had stated to him that some hundreds of thousands of dollars had been given to the campaign funds, not of one but of both political parties. We now find—and I read the heading in one of our western papers, the Western Producer, published in Saskatoon—

Mr. DUNNING: Is a heading evidence?

Mr. GARLAND (Bow River): I will read the evidence in a moment.

Mr. DUNNING: But the heading is not evidence.

Mr. GARLAND (Bow River): No, but the hon. member will not like the evidence when we come to it.

Mr. DUNNING: I know all about it. I have read it.

Mr. GARLAND (Bow River): The heading reads:

> Is it possible to have moral, efficient or democratic government in Canada while members are elected to parliament and to legislatures through the use of huge sums of money subscribed by wealthy corporations or individuals.
>
> That campaign funds are subscribed and spent, is admitted.
>
> In order to refresh the memories of our readers on this point, we print the following extract from the Vancouver Province, under date of December 14, last year. Mr. Russell Whitelaw, a director of the Vancouver Breweries, was on the witness stand before the royal commission investigating into customs irregularities.
>
> Mr. Russell Whitelaw, recalled, denied the suggestion of Mr. Rowell that the consolidated exporters had liquor put up in tins, for shipment abroad.
>
> Mr. Rowell examined the witness at considerable length respecting the now famous cruise of the motor vessel Truscilla, which cleared

for a Central American port and was arrested a short time later at Tumbo island while the cargo was being transferred from cases to sacks.

The witness denied that he had anything to do with her sailing orders, or clearance papers. He had paid the harbour dues and the captain gave him the receipt he obtained for the payment.

Continuing, the witness said, in answer to questions by Mr. Rowell, that he was aware that the Truscilla had been arrested by customs men.

Mr. Rowell: You know that her bond was to be cancelled, and that collector Allen had instructions to go ahead and collect from guaranty company that had put up the bond, and that after four or five months he got orders from Ottawa to release the bond. What do you know about that bond being released?

The Witness: I had heard that the bond was released.

"Who told you?"

"The solicitors."

Counsel now produced a cheque made payable to "Cash" for $10,000. He asked the witness to explain to whom and for what it had been given.

He was reluctant to answer, and turning to the commissioners asked if he must do so. He was instructed that he must answer the question.

"It was for campaign funds," he replied.

Mr. Rowell: To whom did you pay this?

Witness: To F. R. Anderson.

Mr. Anderson, who was in court, asked permission to make a statement from the counsel table. This was granted. He stated that the money came to him as a contribution to the Liberal campaign fund for the federal election of 1925. Following the election, it was found that a number of the bills had not been paid. The Consolidated, having promised some time before to make a contribution, and not having done so, prominent Liberals came to him and sought his assistance in getting the promised contribution. This he had done, and the $10,000 was turned over to the proper officials of the Liberal party charged with the collection of campaign funds. He added that the payment of the money had nothing to do with the stopping of the effort to collect the Truscilla bond.

Then Mr. Rowell made a very significant remark:

Mr. Rowell: They simply synchronized.

Mr. Anderson: It had nothing to do with the bond.

Then the editorial comment on this is:

Here is a bond to be forfeited! Here is a government in power at Ottawa with authority to release the bond! Here is an interested liquor man, subscribing $10,000 to the funds of a political party. There is the government at Ottawa under the control of the party to which the interested liquor man has made his generous contribution! Here is the bond released. Here is Mr. Anderson saying that the secret passing of the boodle has nothing to do with the bond! Perhaps Mr. Anderson may be right.

That was Mr. Anderson. Now we have Mr. Hyatt. This extract is taken from the columns of the Vancouver Province, under date of December 17, last year:

"Light was shed at Thursday afternoon's session of the royal commission investigating the customs department, on some of the recipients of the unvouchered cheque of Mr. Henry Reifel, head of the Vancouver Breweries. Glen C. Hyatt, Vancouver broker, informed the commission that he had received in all from Mr. Reifel the sum of $42,000, which he handed over to the Liberal party.

Mr. Hyatt appeared before the commission as a voluntary witness, and although his counsel, Mr. J. W. de B. Farris, asked the protection of the court for him, as was done in the cases of other witnesses, he scorned to accept it."

He scorned to accept the protection of the court although he had committed what, under the election act, is an offence punishable.

"The total amount received was $42,000, said Mr. Hyatt, 'and I desire to say that the cheques were taken to be turned over to the Liberal party. The purpose of the cheques being made payable to me was that they might be kept on record without giving publicity to the fact that they were funds for political purposes. It may be noticed that three cheques were made out on the one day. That was done at my suggestion for the same purpose. One went to my personal account, perhaps more, but they were all for the same purpose.'"

Mr. Hyatt and Mr. Anderson were not candidates in that election, but they were agents for other parties. The question the public must inevitably ask is: Who were the parties for whom they were the agents? Who benefited by this form of corruption? For it is corruption and nothing else. Men and corporations nowadays are hardly altruistic enough to contribute to the campaign fund of any party unless they expect ultimately to get some form of privilege, some reimbursement. Let me suggest to the government that if there is one duty that is clear now, it is that not only the government but its partner this year, the Conservative party, should agree to have the fullest investigation into this whole question with the view of punishing the offenders. How evil this thing is, how opposed to law it is, how utterly indifferent to the laws are the people concerned, is best evidenced by the following. If you will read section 10 of the Election Act you will find the following very clearly set out:

No unincorporated company or association and no incorporated company or association other than one incorporated for political purposes alone shall, directly or indirectly, contribute, loan, advance, pay, or promise or offer to pay any money or its equivalent to, or for, or in aid of, any candidate at an election, or to, or for, or in aid of, any political party, committee, or association, or to, or for, or in aid of, any company incorporated for political purposes, or to, or for, or in furtherance of any political purpose whatever, or for the indemnification or reimbursement of any person for moneys so used.

Subsection 2 of section 10 reads:

Every director, shareholder, officer, attorney, or agent of any company or association violating the provisions of this section, or who aids, abets, advises, or takes part in any such violation and every person who asks or knowingly receives any money or its equivalent in violation of the provisions of this section, is guilty of an indictable offence against this act, punishable as in this act provided.

Now the penalty clause is section 84, and it reads as follows:

Any person who is guilty of an indictable offense against this act is liable on indictment or on summary conviction to a fine not exceeding $2,000 and costs of prosecution, or to imprisonment for a term not exceeding two years, with or without hard labor, or to both such fine and costs and such imprisonment,

And so on. I can imagine some of our brewers doing hard labour; it would be somewhat interesting. But let me say Mr. Speaker, that this is a clear disclosure now exposed before a government which has acclaimed itself from time to time as being free from the influence of these interests. Why I have heard ministers rise in this House and declare the freedom of the Liberal party from the dictation, control, or domination of interests in this country, while the public, has now had before it evidence under oath showing that not the Liberals alone had been the recipients of large sums of money, huge sums of money, from brewers, but the Conservatives also. Who knows how wide the ramifications may be? We know very well that all the campaign funds did not come from brewers only. The public are entitled to the fullest information as to all the sources of campaign funds, and I now ask this administration to take immediate steps to punish the offenders in this matter. It is true that many of the witnesses, individual witnesses, were given the protection of the court, but the law is clear as to incorporated companies giving moneys to this purpose. The brewers themselves, who are now clearly convicted by the evidence of giving contributions, are equally liable, and they should be prosecuted and penalized to the fullest extent of the act.

Now let me remind hon. gentlemen to my right that they have in their party a very eminent gentleman, one of the most able spokesman they have. Some years ago, on May 14, 1914, that hon. gentleman made an excellent speech in this House in which he spoke of railway promoters having left—

—a long trail of parliamentary corruption, of lobbying of degradation of parliamentary institutions, of the lowering of the morale of public life and the degrading of those standards by which public life should be truly measured.

[Mr. E. J. Garland.]

That is what the hon. member for West Calgary thought of the lobbying and corruption that went on at that time in this country when railway construction was one of the principal questions before this parliament. The hon. gentleman went on to say:

Both sides of the House have been to blame. Just a few days before a general election, one party proposes and the other acquiesces. They are bound to ask a few questions in order that the contribution to party funds may be large enough. Let us look the business squarely in the face.

And then he continued on the subject he was discussing. There you have placed before you the opinion of a man now the financial critic for the opposition, a man who is heralded throughout the country as the possible leader of the Conservative party. I appeal to him to coöperate with other members in the House in getting this investigation. His words are clear; the evidence is clear. If his sensibilities are still as delicate —and I believe they are—if his ethical code is still as high—and I believe it is—I ask that he and other hon. members in this House do what they can to induce the administration to institute an investigation. But I will tell you frankly, Mr. Speaker, that I doubt very much, knowing the influence that can be brought to bear on individuals, my power to induce either party to start an investigation or to punish the offenders. Political parties to-day depend too materially upon campaign funds, upon huge contributions from special sources, to assist each other in disclosing the source from which these funds come. I cannot for the life of me imagine the Liberal party, for example, consenting to a committee investigation or an investigation by a commission which would, in order to prosecute the inquiry effectively, have power to call before it every member of the Liberal party, every member of the Conservative party and every member in this corner of the House, and compel them to give evidence under oath as to the sources of their campaign funds. Senator Borah in the United States recently suggested that very plan. I suggest it now to the Minister of Railways who is temporarily leading the government in the House to-night. I ask him to take the matter up with his colleagues so the public can depend upon it in the future that their representatives in this House are not in some secret form or other controlled and nominated by outside interests which can afford to contribute to their campaign funds. Mr. Speaker, it is a disgrace that is now becoming apparent to a greater extent than it ever did before

when for so long it was merely a matter of suspicion. We have never had the evidence so clearly before us as we have at this moment, and if public confidence in parliamentary institutions and in our representatives is not to be undermined, I ask that this government shall undertake to have some efficient form of investigation into the sources of campaign funds of both parties, and bring about the total and complete elimination of secret campaign funds in the future.

Now, Mr. Speaker, there are many other questions I have desired to discuss to-night, but the hour is late and I do not intend to delay the House any further; I simply wish to state my position. The amendment appeals to me because it represents the expressed viewpoint of the people I represent. It represents that viewpoint clearly and distinctly, but that alone might not convince me of the necessity of supporting it. In addition I am satisfied that the future of our whole country is involved in the adoption of the principles in the amendment moved by the hon. member for Macleod (Mr. Coote). I do not believe that a country of this vast size, depending as it must for generations to come upon the basic industry of agriculture for its greatest wealth, for its healthiest development, can afford to continue the shackling of agriculture and the hampering of other natural resources by increasing costs.

I accept with pleasure the correction of the amendment made by the hon. member for Weyburn (Mr. Young). I would have been glad to have seen him move an amendment in which the words were inserted "to reduce the high cost of living and production." I agree with the hon. member. It was an excellent suggestion, but it does not remove the validity of the statements in the amendment. If that is the sole excuse of the hon. member for Weyburn for failing to vote against the amendment, I am afraid he is in a weak position. If the existence of a tariff board, and the fact that the amendment does not aim specifically in words at the cost of production, is the excuse of the hon. members from Saskatchewan, then they are in a weak position also; but I feel satisfied that the old members of the Liberal Progressive group are not going to go back on their pledges. They cannot go back to their people and say, "We accepted, deliberately accepted, a policy of indirect taxation, as the abiding policy of this year's budget." We accepted a policy which defeats our avowed principles and ideals; we accepted a policy which tends to prevent reductions in the tariff. They cannot do that; they will not do it, and so I suggest that on this vote any man pledged to the low tariff doctrine, any man pledged to the principle of direct taxation, as opposed to indirect, will be keeping faith with himself and his people if he votes in support of an amendment whose purpose it is to establish the direct principle in budget making in this House.

The hon. member for Labelle (Mr. Bourassa) this afternoon, in a very eloquent speech, indicated that he took exception to one clause in the amendment, that referring to the reduction in the national debt. I am afraid he misunderstood or misread the amendment. I agree with the hon. member for Labelle that any immediate and substantial reduction in the national debt would be unfortunate. It would place too heavy a burden upon us at a stage when we need all our resources to recover from the war depression. I agree with him also that it is an excellent policy to leave the national debt as long as possible standing before the people as a monument to the foolish madness of war. But let me submit to the hon. member that in asking for a systematic method of meeting the national debt and of attempting to reduce it, we are not asking for an immediate and substantial reduction in the debt. Far from it, but if the Minister of Railways and the cabinet are generally agreed that some reductions are going to take place in the debt every year—and they are, and I know my friends to my right are—is it unfair to ask that the reduction take place on a systematic basis instead of in the present haphazard, hit-or-miss fashion? That is all the amendment asks in this connection, and as such it should appeal to reasonable thinking men on the other side, even to the hon. member for Labelle.

I have pleasure, Mr. Speaker, in supporting the amendment. I dislike intensely the budget, for the reasons I have pronounced, and I sincerely hope that the government will find it possible to accept the suggestion that it should strike out of the resolutions the one introducing the reduction in the income tax. If that were done, I feel satisfied that it would gratify the mass of the people in Canada, not the mere rich, but hon. members in this portion of the House as well.

Hon. CHARLES A. DUNNING (Minister of Railways and Canals): Mr. Speaker, it is my intention to take only a very short time in this debate on the budget, as there are only a few points of importance that I desire to make.

I think, first, I should express the appreciation of the government of the very fine compliment to the Minister of Finance (Mr. Robb) which is involved in the great numbers of congratulatory messages from all classes and all parts of Canada which it has been my privilege to see, addressed to the Minister of Finance, on the budget which he brought down the other day. The one thing which is noteworthy in that connection is that, unlike the hon. gentleman who has just spoken (Mr. Garland), many of the citizens of Canada, having regard to the very hectic period through which government in this country passed so recently, and to the fact that following the election on the 14th of September last and the swearing in of the present government early in October, ministerial by-elections became necessary, express their surprise and gratification that in such a short space of time, it now being only the month of February, the Minister of Finance has been able to get a sufficient grasp of the situation and mature his judgment sufficiently to enable him to present the kind of budget and the kind of proposals which he brought down to the House the other day.

I always enjoy listening to the eloquence of my hon. friend who just sat down (Mr. Garland). There are advantages in occupying a position in the House which involves no responsibility for policy.

Mr. GARLAND (Bow River): May I suggest to the hon. minister that we are prepared to accept positions of responsibility? There is nothing would give us greater pleasure than to assist the hon. minister and the cabinet.

Mr. DUNNING: I asked a question or two, Mr. Speaker, for the purpose of enlightenment, of my hon. friend when he was speaking. I sat and listened while he cast reflections upon the motives of every hon. gentleman in this House, and said not a word. I think now I might be entitled to proceed. having suffered as the rest of us have suffered from his accusations of a complete lack of sincerity, for that was the whole tenor of my hon. friend's address as relating to every member of this House who did not belong to his peculiar little provincial class group in that corner. While I am on that subject, may I say, without taking too much credit to ourselves on this side of the House, and without in any way offering any apologies or excuses for my hon. friends opposite, that I have sufficient confidence in the judgment of the people of Canada as a whole to believe that the people of other parts of Canada as well as Alberta are just as likely to send honest men to this House as is that province.

Mr. GARLAND (Bow River): May I suggest to the minister that he does me an injustice? Far be it from me to suggest that honest men do not come from other portions of Canada. It was political parties I was speaking of.

Mr. DUNNING: I have no quarrel at all with my hon. friend's statement of his opinions. It has been suggested from both sides of the House during the course of this session, and previously, that the tone of debate is not elevated by casting reflections on other men's motives, and my hon. friend's speech was replete with reflections upon the honesty of the motives of other members of the House. I am content in that regard to abide by the record of Hansard. That is all I desire to say with respect to the very admirable address to which we have just listened, except to emphasize that it is a comfortable position to be in where one has no responsibility whatever for the policies of government, to be in no danger, as the members of an official opposition are always in danger, under our British system of government, of being called upon to assume responsibility as a government for putting their policies into effect. My hon. friend speaks from a position where there is no danger at all of the people of Canada entrusting him and his friends in the near future with the responsibility of putting into effect the policies which he advocates. Such a position has great advantages indeed, and my hon. friend with his eloquence is fully capable of making the most of them.

So far as those of us who sit on this side of the House are concerned, the people of Canada on the 14th of September last placed upon us a very great responsibility. We had to go back to our constituencies for re-election, and then we were compelled in the nature of things immediately to call the House together in other to have as soon as possible the authority of parliament for the expenditures which were being made in carrying on the public business of the country. In addition, many of us, being new ministers, were compelled to take the necessary time to familiarize ourselves with the workings of our departments so far as that was possible in the short space of time available, and now we are expected, to paraphrase all that my hon. friend says, to bring about the millennium less than one month later. It is not possible.

My hon. friend could not do it. He is in a much happier position to-day than he was last session. My hon. friend does love to rock the boat when it is perfectly safe to do so.

Mr. GARLAND (Bow River): I might suggest that last year I did not hesitate to rock the boat in favour of my hon. friends.

Mr. DUNNING: My hon. friend is not quite as shrewd in appreciating a point as I thought he was. Last year he was very careful—and I do not suggest any improprieties—to do all he could to prevent the parliamentary boat from upsetting. This year he is quite aware that any boat rocking indulged in on his part will not upset the boat anyway, and therefore he is perfectly free, and has taken advantage of his freedom to rock the boat as much as he possibly could.

Mr. GARLAND (Bow River): The hon. member knows quite well that I have been—

Some hon. MEMBERS: Order, order.

Mr. GARLAND (Bow River): If that is hon. members' idea of fairness, all right.

Mr. SPEAKER: I did not call the hon. member to order because I thought the hon. minister was permitting the interruption. If it is a question of privilege he may be allowed to state it; otherwise, I hope there will be no more cross-examinations.

Mr. DUNNING: I am merely offering good-humoured raillery in return for my hon. friend's speech, which consisted of an impeachment of motives of hon. members on this side, and I suggest that my method of debate is infinitely preferable to that favoured by my hon. friend.

With reference to the statement made, not only by my hon. friend, but by another of the group in that corner of the House on this question of responsibility, may I point out that if I understand it correctly there are three groups in that corner of the House. I find no fault with it, but when my hon. friend speaks for the people of Canada, I am reminded of the story of the Three Tailors of Tooley Street, who issued that famous manifesto headed "We, the People of England". On very many subjects my hon. friend cannot speak for all the three groups in that corner of the House.

Mr. GARLAND (Bow River): Quite right, I do not pretend to.

Mr. DUNNING: But we must have in this country a group of men large enough to command sufficient majority in the House to enable them to put through a common policy. We do not believe that every one of us at all times can get his own individual way. We from Saskatchewan do believe that Canada is bigger than Saskatchewan. I may tell my hon. friend in that regard that on the election platforms from east to west in the last election, discussing this very matter of fiscal policy, to which he paid so much attention—in my own province of Saskatchewan, in the province of Ontario, in the provinces by the sea and in British Columbia—I used words to this effect: that complete free trade might possibly be the best thing for Saskatchewan, and it might be the best thing for Alberta, but neither Saskatchewan nor Alberta is the whole of Canada, and I wound up by saying, neither is Ontario. I said then what I say now, that we must regard this matter of tariff as an intensely practical matter affecting every individual in this country. We should treat it and endeavour to make it the servant of the whole people, having due regard to the interests of the whole country. I will come to my Conservative friends in a few moments.

Mr. STEVENS: You are doing fine.

Mr. DUNNING: Hon. members in that corner of the House say that this is a Tory budget.

Mr. GARLAND (Bow River): Hear, hear.

Mr. DUNNING: My hon. friend says "hear, hear",—

Mr. GARLAND (Bow River): And the Tories accept it too.

An hon. MEMBER: Not yet.

Mr. DUNNING: The hon. member for Vancouver Centre (Mr. Stevens) says, not yet.

Mr. STEVENS: I said nothing.

Mr. DUNNING: Then I mistook the hon. gentleman who made the comment. I should like to tell my hon. friend (Mr. Garland) now, with all the authority of my colleagues, that the impression my hon. friend sought to create to-night throughout Canada, as he knows his words will be reported, that there was some sort of coalition or understanding this session between the Conservative party and this government, is absolutely and completely false. The fact that my hon. friend from Vancouver Centre made some remarks with respect to expediting the business of the House, which could have come with the same propriety from my hon. friend (Mr. Garland) himself does not justify the statement. Those remarks, I apprehend, did not intend to convey the existence of some sinister plot between these two larger parties against the best inter-

ests of Canada. I can say that so far as the government is concerned, and so far as the men who sit on this side of the House are concerned, there is no such understanding, coalition, legislative or executive, or in any other way whatsoever and my hon. friend well knows it. He is scattering a suspicion abroad which does not do him very much credit.

Replying to those who say that this is a Tory budget, I would ask them to imagine what sort of budget would have been brought down if my hon. friends of the Conservative party had been occupying the treasury benches to-day; because however much I may disagree with the tariff policy of the Conservative party I will give them this credit: If they sat here to-day and were charged with the duty of bringing down the budget they would bring down a budget in conformity with their principles, in conformity with the arguments they have used throughout three election campaigns—that the tariff schedules of Canada should be increased in very many important particulars.

Some hon. MEMBERS: Hear, hear.

Mr. DUNNING: My hon. friends say "hear, hear".

An hon. MEMBER: Quite right.

Mr. DUNNING: My hon. friend believes that is right. I am merely answering the charge that this is a Tory budget, and why? Because it increases the tariff? No. There is not a Tory in this House who will not admit that if the Tories were making the budget they would materially increase the tariff. This is charged with being a Tory budget because it neither reduces nor increases the tariff. I might ask who, after reading the past budget debates, particularly the more recent ones, can have any doubt whatever as to which is the high tariff party and which is the low tariff party in Canada? Or imagine again—and I commend this especially to my hon. friends in the far corner of the House, particularly those Progressives from Saskatchewan—how high the tariff wall round Canada would have been to-day had my hon. friends of the Conservative party been in power from 1921 to the present time. They have consistently proclaimed their belief throughout the whole of that period that the tariff should be increased. Throughout the whole of that period indeed the tariff walls surrounding almost every other country in the world have been increased. Had the Conservative party been here to-day and honestly carried out what they led the people of Canada to believe is their policy, we would have a tariff as high as the tariff now existing in the United States. Will my hon. friends say "hear, hear" to that?

An hon. MEMBER: No, no.

Mr. DUNNING: Evidently the "brick for brick" policy has been abandoned recently.

An hon. MEMBER: It never existed.

Mr. DUNNING: Evidently it has been abandoned in view of the much-heralded attempt to capture votes in western Canada by holding a big convention in Winnipeg next October.

During the period since 1921, so far from increasing the tariff, it has been lowered in many important particulars and the British preference has been increased at a time, as I have stated, when tariffs in other countries were being increased. Even had we not touched the tariff in a downward direction since 1921, still Canada's tariff would be very much lower to-day as compared with that of other nations by reason of the tariff increases they have put into effect. I should like some of my hon. friends in the corner, who have access to so much information apparently, to find out for me how many countries to-day have a lower general average of tariff than the Dominion. It would be interesting information and would lead the way to much fairer criticism than we have listened to in this regard. We are between the devil and the deep blue sea. On the one hand we are accused by the Tories of ruining Canadian industry by tariff reductions—

Mr. MANION: Which is the devil?

Mr. DUNNING: Well, if I have to define the term I am afraid I shall have to say that the Tories are.

Mr. MANION: Talking politically now?

Mr. DUNNING: Yes, nothing personal at all. We are accused by the Tories of ruining industry by our tariff reduction. Oh! think of the debates of last year! Think of the great delegation which my hon. friends were so pleased to see come here, to which they referred in such moving terms! Think of the empty factories and empty homes and ruined people of Oshawa! It never happened.

Mr. McGIBBON: Think how anxious the government were about fixing them up.

Mr. DUNNING: It never happened. On the other hand our radical friends in the corner accuse us of introducing a Tory budget. The fact of the matter is that neither is right. We have not ruined industry, and

we do not intend to. Our tariff reductions have actually helped the industries to which they have been applied. The Minister of Finance naturally will not attempt to forecast in this budget what may be contained in future budgets. It would be unreasonable to expect it of him.

May I here digress to state to my hon. friend who has just spoken (Mr. Garland) that he has enunciated—I hope with the responsibility of the group to which he belongs —a new policy with respect to the duty of a finance minister in regard to the presentation of his budget. He says the Minister of Finance should discuss all his proposals with all of those who sit behind him before they are presented to the House. That surely is a new proposal and one to which I am confident my hon. friend has not given the thought which he gives to most questions he discusses in this House. Why is it that from time immemorial, both in the British House and in every other House conducted according to the British plan, the contents of the budget are kept secret until the moment when the minister delivers his pronouncement? Why is it that tariff reductions and other things of a like kind become effective immediately upon the minister's pronouncement in regard thereto? It is because, if my hon. friend's method were followed, some people would have advance information, and there would be leaks, there would be speculation, and there would undoubtedly be an increase of this talk of scandal— which my hon. friend is so fond of referring to—in the public life of the country. I venture to say that even in the government which is controlled by partisans of my hon. friend, and which is a provincial government where the necessity for secrecy in connection with the budget cannot be so great as in the federal House, where fiscal and other matters of greater importance are dealt with,—I venture to say that even there the provincial treasurer does not acquaint the whole world, not even the whole of his own party following in the House, with the contents of his budget before he presents it to the legislature. My hon. friend is silent. Silence gives consent. Again we are asked in this House, as we were once before by my hon. friends in that corner, to adopt a principle in the federal parliament which they themselves in the legislature which they control have not adopted.

While the Minister of Finance naturally will not budget for future years, he does authorize me to say this, in reply to the insinuations from the far corner regarding the fiscal policy of this party and those who support it, that the Liberal fiscal policy is unchanged. We shall move forward cautiously with the aid of knowledge of the facts secured by the Tariff Advisory Board toward the goal of making our tariff structure bear as lightly as possible on production, industry and the people generally, having always in view the greater prosperity of all the legitimate industries of Canada. The tariff must be made to serve the best interests of the Canadian people as a whole. It must be adjusted from time to time to meet the needs, not of one class or group or industry alone, whichever one that may be, but of our whole economic structure

Some hon. MEMBERS: Hear, hear.

Mr. DUNNING: This does not mean—

Mr. GARLAND (Bow River): That is good Tory propaganda all right.

Mr. DUNNING: It is to my hon. friend's perverted mind.

Mr. McMILLAN: It is true Liberalism.

Mr. DUNNING: This does not mean tariff-tinkering so called, but it does mean a continuous expert examination and adjustment whenever the facts so revealed warrant.

Now, my hon. friend smiles and says that is true Tory doctrine. I should like right here to ask Tory endorsement of this, "Toward the goal of making our tariff structure bear as lightly as possible on production, industry and the people generally."

Some hon. MEMBERS: Hear, hear.

Mr. DUNNING: They agree. Well now, Mr. Speaker, the millennium has come indeed. I have been listening during this budget debate to pleas for increased protection, at least three to-night, the arguments for which did not take into account the people at all,—

An hon. MEMBER: Oh yes, they did.

Mr. DUNNING: —but which took into account merely the people engaged in a particular industry.

An hon. MEMBER: Oh no, no.

Mr. DUNNING: That is the fault I have to find, and that is the distinction I draw between our attitude on this side of the House and the attitude of hon. gentlemen opposite. Why, we had a plea for the onion-growers. There are three hundred of them in Canada. And my hon. friends opposite want to tax all the people of the Dominion for the benefit of those three hundred onion-growers. Will they deny it? There is no denial. I could go on and cite a list as long as my arm of special privilege tariff increases demanded by hon. gentlemen on the other side of the House,

not at all in conformity with the principle that I have just been endeavouring to enunciate.

Mr. EVANS: Will the minister inform the House who put 47a on the statute book?

Mr. DUNNING: Frankly, I cannot answer that question. I do know, however, that while my hon. friends may find in this, which I regard as a fair, moderate statement of the tariff policy of the Liberal party—

Mr. STEVENS: A chart?

Mr. DUNNING: More than a chart.

Mr. MANION: Not too specific.

Mr. DUNNING: Perhaps my hon. friend would be more specific as to what he would do if he were charged with the duty of preparing a budget. We have no doubt at all about our friends opposite. Every one of them has some pet industry for which he wants to have higher protection. That is the policy of the Tory party, but it is not the policy of the Liberal party.

With regard to the farmers and the income tax, I might, with all due deference to the hon. gentlemen in the far corner opposite, who always speak for all the farmers, be permitted to express the view of a farmer. I will not attempt to speak for them all. I will give the views of a farmer with reference to the income tax problem. The income tax is an ideal tax, in so far as it conforms to the standard of making every citizen pay something towards the conduct of public affairs in his country upon a reasonable, equalized and graduated scale in proportion to the wealth of the individual. Unfortunately, like so many ideal things, this tax presents very serious difficulties in the way of administration. One of the earliest difficulties in connection with the income tax in this country, a difficulty to which hon. gentlemen in that corner have frequently called attention, is the problem of successfully applying it to the farmers because of the nature of the farming business. The difficulties that were encountered in the earlier years, when the exempted amount was much lower than it is to-day, are well known to every member of the House. Not one farmer, not ten or a hundred, but thousands have complained to me about the nuisance of having to keep the kind of returns which were necessary in order to enable the Income Tax branch to determine whether any tax was due from them or not. As more than one man has put it, "We go to forty dollars' worth of time and trouble to find out that we owe the government ten dollars." I know my hon friends would say it is the fault of the system.

Mr. KENNEDY: Is not that due to the fact that the average farmer must work from twelve to fourteen hours a day, and so cannot possibly keep books?

Mr. DUNNING: Taking my hon. friend's statement at its face value, if there is a class in the community who work from twelve to fourteen hours a day conducting their own business, and on that account are unable to keep books, I should like the hon. gentleman to tell me how he could possibly levy an income tax on such a business? That is the whole difficulty, and I will be frank enough to say that one of the reasons why I personally favoured an increase in the exemption from income tax to the present level was my conviction that it would automatically eliminate from the sphere of operation of the tax a very large proportion of the farmers of Canada. I did so, not because I wanted to give them any special privilege, but because, from the operation of the law in the past, I knew that it really resulted in men going to all sorts of trouble, yes, and of being persecuted as in the nature of things they must be, besides incurring a good deal of unnecessary expense out of proportion to the amount they owed the government. I had in mind, too, the fact that the farmer does pay in the form of indirect taxation a greater amount proportionately than the rest of the population. I do believe that, although I have no scientific proof of the statement. If my hon. friends object to the ten per cent discount provided for in the budget on the present graduated scale of income tax they should in all fairness get back to what I described in the first place as an ideal income tax, one which is levied on the whole of the people who have incomes and which shall be proportionate to those incomes, however small. If they do that, however, they will get back to the point where they will have to solve the very problem which has baffled every one up to now, and that is, how to apply the system successfully, equitably and reasonably to agriculture. We have never succeeded in doing it, and our hon. friends who criticise us have never put forward any constructive suggestion as to how it could be done. The question which the hon. member for Peace River (Mr. Kennedy) asked a moment ago admits the impracticability of the whole scheme as applied to farmers who, according to him work from twelve to fourteen hours a day and therefore cannot keep books. If

that is true, it is impossible to levy an income tax on such a business. Now, if my hon. friend has any scheme whereby the tax can be collected in that case, he will earn the thanks of the people of Canada in submitting it.

Mr. KENNEDY: I suggest that they go on the eight-hour day.

Mr. DUNNING: Do I understand my hon. friend to suggest that there should be a compulsory eight-hour day for agriculture in Canada?

Mr. KENNEDY: I offer it as a suggestion to the farmers.

Mr. DUNNING: But this is a legislative body, and what we are looking for in this connection is some legislative suggestion. Unless, therefore, my hon. friend is prepared to offer some proposal which can be incorporated into the law of the country, the difficulty which I am seeking to point out still remains.

Mr. KENNEDY: We might have legisation along the lines of the Liberal platform of 1919.

Mr. DUNNING: This is the first time I have heard it suggested that the Liberal platform of 1919 devised any method whereby farmers who work fourteen hours a day might be enabled to keep books.

Mr. GLEN: I take it from what the minister said, in reply to my address of yesterday asking for some assurance from the government in the matter, that the policy of the government is in the direction of lower tariffs and that it is not the intention to abolish the income tax as a permanent fiscal instrument. Am I right in assuming that?

Mr. DUNNING: My hon. friend must not put words in my mouth. The words I used were explicit and they were words behind which every member of the government will stand. I may remind the hon. gentleman of what my hon. friend the Minister of Finance has himself said. Some people tried to hold a pistol at the head of the Minister of Finance last year, we all know with what success; and those who try the same thing again, whether friend or foe, will find the same result.

Mr. GLEN: On a question of privilege, I did not on Tuesday present any pistol at the head of the Minister of Finance. All that I stated was that a number of us were returned to this House on low tariff principles; that we were faced with a budget which seemed to meet with the approval of the Tories and of which we were somewhat suspicious that we were anxious only to know what the government's studied policy was with regard to the fiscal policy of this country and particularly in regard to the income tax.

Mr. SPEAKER: Order.

Mr. DUNNING: I can only say this. My language a few moments ago was explicit and I will read it again for the benefit of my hon. friend, although it was not directed at him especially, because it is absurd to ask the Minister of Finance to budget to-day for next year. That cannot be done. I say this to my hon. friend again and on this he must make up his mind and take his responsibility. I want to be fair to my hon. friend because it has been suggested by speakers during the course of this debate that my hon. friend did put a pistol at the head of the Minister of Finance. To all who suggest such I make the same reply, and I make it on behalf of the Minister of Finance who has already spoken and with his full authority. I will read the words again because they are the words of the whole government, not my words. I cannot amend them of my own volition and my hon. friend will not get me to amend them of my own volition.

> We shall move forward cautiously with the aid of knowledge of the facts secured by the Tariff Advisory Board toward the goal of making our tariff structure bear as lightly as possible on production, industry, and the people generally.

If my hon. friend is still suspicious after that statement, I can only leave him with his suspicion, remembering as I am sure he does—

An hon. MEMBER: Read the rest of it.

Mr. DUNNING: Yes, I will read it all. Unlike some of the documents that some of my hon. friends have produced, it will bear reading twice. The Hamilton speech never was read twice. I will read the rest of it:

> Having always in view the greater prosperity of all the legitimate industries of Canada.

Does my hon. friend quarrel with that?

Mr. GLEN: Does the hon. member wish me to reply to that?

Mr. DUNNING: My hon. friend has made his speech. He asked me certain questions.

Mr. GLEN: I thought the minister was asking me if I was satisfied with that.

Mr. DUNNING: I have permitted a great deal of latitude. I enjoy this, I think, almost as much as anyone else in this House, but there is a tendency rather to take advantage of my good nature on this occasion. Suffice it to say that the tariff board has been in

operation, as hon. friends well know, for less than a year. Some fifty-two applications for increases and reductions have been placed before it. It has inquired into some of them and reported upon thirteen. I feel sure that my hon. friend who spoke last (Mr. Garland) would not desire to proceed to slash the tariff without knowing the facts; or maybe like no one else in Canada, he knows all the facts now. We must in that regard as members of the government confess our ignorance; we must confess our need of enlightenment with respect to these specific items under examination by the tariff board. That is what the tariff board was created for.

Mr. STEVENS: Reductions were made last year.

Mr. DUNNING: My hon. friend refers to last year. There are some things that stick out so plainly as to be clear to the average citizen. Until we had a tariff board, we had been endeavouring to cure them by the aid of such machinery as was in the possession of the government. Last year we reduced the tariff on automobiles in the face of the strongest opposition across the way, as my hon. friends know.

Mr. CAHAN: And then gave the automobile manufacturers a bonus.

Mr. DUNNING: I wonder if my hon. friends opposite were in power now if they would increase the duty on automobiles!

Mr. CLARK: We would not be deceitful.

Mr. DUNNING: My hon. friend says: We would not be deceitful. He is suffering from the same disease as the hon. gentleman who spoke last—always impugning the motives of other people.

Mr. CLARK: No, we never could get at your motives.

Mr. DUNNING: I agree that my hon. friends never can get at us.

Mr. CLARK: No, at your motives.

Mr. DUNNING: I would like to know if my hon. friend would have been satisfied if, without time to study the facts properly, we had introduced amendments to the tariff this session on the basis of the recommendations of the tariff board with respect to these articles. I would like him to think how the cost of living would be affected by action upon the reports we have so far received, by action upon flake calcium chloride, by action on pumps and pump parts, by action on nail keg cooperage, by action on Epsom salts, by action on gabardine, by action on invalids' wheel chairs, by action on invert sugar, by action on oil tops, by action on objects of art, by action on tin—as regards which, by the way, the application was for an increase; by action on tops for gloves, by action on the duty on foxes and canaries imported for breeding purposes, or by action on the tariff on player piano music rolls. These are the items upon which we have a definite report of the facts found by the Tariff Advisory Board and on no others.

Mr. GARLAND (Bow River): Is the House to take it as the declared policy of the government that it will not reduce the tariff until after the board has reported favouring a reduction?

Mr. DUNNING: That is not the declared policy of the government.

Mr. GARLAND (Bow River): That is the inference to be drawn from the hon. member's last remarks.

Mr. DUNNING: I have allowed my hon. friend to make at least six speeches and I think he has had enough opportunities. At the present time, having regard to the facts I have stated in respect to the period through which we have passed, we do not intend, as the Minister of Finance has indicated, to bring down any tariff changes this session and we have none to propose. If my hon. friend is here in the future, I am quite sure he will find some other ground on which to criticize us even if this vanishes, because the kind of political appeal my hon. friends in that corner always make is the kind of political appeal my hon. friend has made to-night. He says: We are the only honest men; everybody else is actuated by motives of self-interest, by inference is the servant of some big interest! That is the only kind of political argument my hon. friends in the far corner present to the electorate. True, they do think about matters of economics as the rest of us do. We could debate these matters like gentlemen, but it is pretty difficult to debate like a gentleman with men who consistently take the ground that your motives for differing with them are unworthy motives and objects of suspicion. It was because of that whole note running through the address of my hon. friend—and a splendid address it was otherwise—which caused me to rise to-night. I had no intention of doing so; in fact, as the House can see, my address was not properly prepared because I intended not to speak until to-morrow. My object is merely to set forth as clearly as possible what the tariff policy of the Liberal party is. It has been expressed much better by our leader,

who is not in his seat to-night, and there is no reason for anyone in the House or the country to have any doubt what it is. It is clear cut. Our actions throughout the last period of years since 1921 are the best evidence as to what our policy is: We stand by our record in that regard. We intend to pursue that policy in the future.

On motion of Mr. Stevens the debate was adjourned.

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

Friday, February 25, 1927

The House met at three o'clock.

COMMITTEE ON RAILWAYS AND SHIPPING

Mr. W. T. GOODISON (West Lambton) presented the first report of the select standing committee on railways and shipping owned, operated and controlled by the government.

On motion of Mr. Goodison the report was concurred in.

PRIVATE BILLS

FIRST READINGS

Bill No. 81 (from the Senate), for the relief of Amy Humphrey Lowe.—Mr. Rennie.

Bill No. 86 (from the Senate), for the relief of Stanley Moorhouse.—Mr. Casselman.

Bill No. 98 (from the Senate), for the relief of James Arthur McNish.—Mr. Garland (Carleton).

Bill No. 99 (from the Senate), for the relief of Elizabeth Maud Maitland.—Mr. Hepburn.

LOAN TO CANADIAN NATIONAL RAILWAYS

Hon. J. A. ROBB (Minister of Finance) moved:

That the order of the House referring the estimates for 1927-1928, respecting loans to the Canadian National Railway Company and the Canadian Government Merchant Marine Limited, laid on the table on Tuesday 15th, February, 1927, to the committee of supply, be discharged, and that the said estimates be referred to the select standing committee on railways and shipping owned, operated and controlled by the government.

Motion agreed to.

THE BUDGET

CONTINUATION OF DEBATE OF THE ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed from Thursday, February 24, the debate on the motion of Hon. J. A. Robb (Minister of Finance) that Mr. Speaker do now leave the chair for the House to go into committee of ways and means, and the proposed amendment thereto of Mr. Coote.

Hon. H. H. STEVENS (Vancouver Centre): Just a moment or two prior to the opening of the House, we, the members of the House and others, were favoured with a very brief, all too brief, exhibition of singing, a rendering of the sweetest of music by the visiting choir from the old land, and I thought that, as the first member of the House to speak following that interesting occasion, it would not be out of place to express my personal appreciation of the splendid manner in which they rendered the various numbers on their program an expression which I am sure will be shared by others, and to extend to Mr. Sydney H. Nicholson, the organist, and the Rev. Edmund H. Fellowes, the director of the choir, our sincere and cordial felicitations.

It might properly be hinted to me that the atmosphere created by that pleasing incident is not quite fitting to a debate upon the hard and material facts which are supposed to be dealt with in a budget. Indeed one of my very good friends from the other side of the House, knowing that I was about to speak, intimated to me very kindly that there should be no bitterness left in my soul. I wish to assure the House that there is no bitterness in my soul now or on any other occasion when I am dealing with subjects such as we have before us this afternoon pertaining to the business of the country. After all, it is the business of members of the opposition to take up government measures or proposals and subject them to the most critical analysis that we are capable of, and if there are weaknesses in them to expose those weaknesses. On the other hand it is our privilege, if not our duty, to differ from those who differ from us, and, in so far as the views we hold are honest and honourable, to advance those views with all the vigour and force of which we are capable, and to-day I intend to follow the course which I have followed in the seventeen sessions I have been in this House by dealing with this subject, I hope fairly, but with that degree of energy with which a kind Providence may have blest me.

We have immediately before us a resolution that this House shall resolve itself into a committee of ways and means, with an amendment thereto moved by my hon. friend from Macleod (Mr. Coote), making one or two suggestions. With this amendment I find myself able very largely to agree. I certainly do not agree with all of it. I would not have worded it in exactly this manner, but

with much of the sentiment in the resolution I find myself in accord. I will just briefly deal with the amendment, but as the major part of my remarks will be directed to other subjects, I shall not spend more than a moment or two on the amendment. I may say that the last clause of the amendment is the only explicit and clear statement. The balance of the amendment is more or less of an expedient, a grouping of words, calculated, I think, to embarrass some, and to give expression to certain views not too clearly, indeed somewhat ambiguously. But the last clause reads as follows:

And further that no systematic effort is being made to reduce our national debt, the interest on which absorbs so large a proportion of the revenues of the Dominion.

I intend to deal with that question in a moment, and I find myself entirely in accord with this: that the government should be brought to task for not having dealt with the question of the public debt in a little more definite and efficient manner than they have done. In regard to the balance of the resolution, it refers to the reduction in the high cost of living. This is a term that is used very, very frequently in this House, on the hustings and elsewhere. It is a popular cry, it has a strong appeal on the hustings, politicians like to use it, and I have no particular criticism of it. But I would point out to the House that the high cost of living, according to our view, is not merely the price of goods. It involves also whether or not a man can make a living at all, whether or not he has an opportunity to work. It is of infinitely greater importance to our people that they shall have an opportunity to earn rather than to be given the cost of living figures of to-day as compared with those of a month or a year ago. So I find no great difficulty in facing that clause, because the policy I stand behind to-day and have been standing behind for years is a policy calculated to give Canadians a maximum of employment within the bounds of their own country and the highest standard of living. So I repeat, I have no difficulty in satisfying myself that we are able to offer to the people a policy which will give them the maximum of comfort in so far as it refers to the cost of living.

Now, Mr. Speaker, I wish to turn my attention to the main subject, namely, the committee of ways and means. I think it was Sir Robert Peel who, on one occasion when facing an exceedingly difficult and perplexing crisis in the financial affairs of the old land, said that half of the task was accomplished when you frankly faced the question. That is, if this House will consider and study the problems with which the country is faced and frankly look them in the eye, half the solution is arrived at. And so this afternoon I shall address myself very largely to bringing to the attention of the House three major problems. These major problems I intend to analyze in some degree, and for this purpose I am going to take five-year periods. The Minister of Railways (Mr. Dunning) is not in his seat. Last night he invited us to consider the five years of Liberal rule, and in doing so he suggested that there had been a progression of events leading to some definite conclusion. I propose to examine this five-year period, and to place it in juxtaposition with the five-year period preceding, so that we may get a clear vision whether or not this country is progressing, as some claim, and to what degree that progress is of value or may be measured.

Among the institutions that we have inherited from the old land is the parliamentary system of government. A subdivision of that is the budget system, generally, I think, admitted by all to be the most effective method of dealing with the financial, trade and other affairs of the nation. This budget system is supposed to give to parliament certain information. For instance, it is supposed to deal with our financial condition, that is, our debts to our own people and to other nations; it is supposed also to deal with the question of taxation, that is, the revenues secured during the past year and the proposed methods of raising those revenues in the future, together with whatever taxation changes may be contemplated; in addition to that, it usually outlines for the information of the people the conditions of industry and trade, both internal and external. It is my intention to deal with these three phases of our country's affairs.

In the first place, I wish to say to the Minister of Finance that much as I appreciate his geniality and all those fine qualities that we so much admire in him, in my opinion his budget fails adequately to reflect the real conditions of the country. This budget does not budget for the future; it offers no new ideas; it is a static budget, it is dormant, it is stationary; it shows no progress, it offers no hope, it does not look into the future or give to us any idea that the government has the slightest appreciation of the rapidly changing world conditions, or that there are certain conditions in this country calling for new or different treatment from that of the past; it offers nothing in the way of suggestion as to the replacement of our depleted natural resources; it does not indicate that the government is giving that problem the slightest consideration, the necessity of which I hope to demonstrate in the course of my

remarks. I say to the minister also that it is a misleading budget. It is full of equivocations. It announces, for instance, a reduced duty—there is no reduction in duty; it announces lower taxation—there is an increase of taxation; it announces a surplus—this surplus is a myth; it also states that there is abounding business—this is only partially true.

The budget, however, is consistent in one respect—it reflects a complete abandonment of the pre-election pledges of the Liberal party. I have only to call the attention of the Minister of Finance and his colleagues to the remarks of the hon. member for Labelle (Mr. Bourassa) yesterday afternoon, when he unfolded the inside secrets of the Liberal party and reminded us that some years ago when that party went to the country with certain views that it persuaded the people to adopt, it carried on the old fiscal policy, slightly modified here and there, but in principle the policy of Sir John Macdonald, and that secret assurances prior to the election were given to the business interests of the country that the public utterances of the party would not be given effect to afterwards should it be successful at the polls. And so I say now we come to a very similar condition: the pre-election pledges of the Liberal party are not reflected in the budget. Not that we ask that they should be; but we do ask, Mr. Speaker, with some degree of right, that a party which led the people to believe that a given set of results would follow from a given set of actions should at least carry out its pledges on the faith of which it has received a mandate from the electorate, whether those principles are right, or whether other principles adopted in the place of those abandoned are not really the right principles.

Last night the Minister of Railways was very fulsome in his praise of the Minister of Finance for having brought down his budget so early. To my mind this suggests just a little clever political strategy. The Minister of Finance smiles, but he knows it is true. He had the Duncan report on the maritime provinces before him. The government had it in their sanctum over in the east block. They studied it and they divided on it, and they are divided on it to-day, as everybody knows. They are in a dilemma regarding that report. It calls for certain things which ought to be in this budget but the government dare not put them in this budget.

Mr. ROBB: What, for instance?

Mr. STEVENS: Amendments to the tariff to give effect to certain recommendations of the report. The government do not dare to deal with that report, Mr. Speaker, because they are divided on it. So they said: Here, let us get this budget in, and then after it is out of the way we can make some promises to overcome the demands of the maritime provinces.

Mr. FORKE: The hon. gentleman is as good as the Ottawa Journal.

Mr. STEVENS: If the Minister of Immigration (Mr. Forke) will possess his soul in patience I will deal with him in a few moments. This budget has been heralded throughout the country as highly satisfactory.

Mr. RINFRET: Hear, hear.

Mr. STEVENS: The Secretary of State says "hear, hear".

An hon. MEMBER: Hear, hear.

Mr. STEVENS: Another minister says "hear, hear." You will observe they are ministers who say that. Well, the budget has been welcomed throughout the country, because it was feared that following on the pre-election declarations of the government, particularly in western Canada, there would be drastic changes in the tariff when the budget was brought down. But that apprehension has been allayed, for there are no great changes in the tariff, and so a sigh of relief has gone up from one end of the country to the other. A safe hand, it is felt, is at the throttle. There is no danger to industry. Everything is promising because the tariff has not been tampered with. Let me read the words of the Bank of Montreal issued in their official private bulletin of February 23:

> The early delivery of the budget speech by the Dominion Minister of Finance, and the announcement that no tariff changes are to be made, should be helpful to business by removing that uncertainty and hesitancy in mercantile transactions which sometimes wait upon the late pronouncement of government fiscal policy.

Yes, the budget was welcomed for what it did not do, not for anything that it did. We welcome it in so far as in it the government has stayed its hand in further reductions of the tariff. The government announces in the budget that it is not its intention this year utterly to destroy the remaining fragment of a protective principle in the tariff. In other words, they have given the protective policy a tentative reprieve from the hangman's noose.

This is called a Robb budget, and I use that term without any personal reference to the minister. It is indeed a rob budget in the sense that it robs Peter to pay Paul. It is a budget which announces a reduction of taxation while as a matter of fact there is just

a slight shifting of the burden of taxation. The taxation may be lowered in some small respects here and there, but the net result is an increase, as I shall well demonstrate in a moment. Let me deal with the budget, or rather the budget subject, because the budget itself would not require very much treatment. I pointed out a moment ago that the ways and means committee would have under its consideration normally the question of debt, the question of revenue, or the levying of taxation, and the question of trade conditions; and I intend to examine the whole subject in that order.

In the first place, I will discuss the debt. The minister announced that there would be a reduction in the debt, and in this connection I desire to bring to the attention of the House a singular fact. I have here the figures from each of four speeches delivered by the present Minister of Finance, and I will read them all to the House. On April 10, 1924, he said our surplus would be $20,750,000, to be applied to the reduction of the public debt. On March 24, 1925, he said that the public debt had been decreased by $35,900,000. On April 15, 1926, the minister informed the House, there had been a reduction in the debt of $22,350,000. On February 17, 1927, at page 387 of Hansard the minister made the statement that there would be a reduction of $31,000,000 in our debt.

The individual reductions indicated in these four announcements total $110,000,000, so that there should be a reduction in the debt to that extent from the year 1922. Each year this government has officially announced a reduction to the amount I have quoted, the total being $110,000,000; and bearing that in mind I would ask hon. members to follow me in an analysis of the public debt. There are two terms used in referring to the debt: one, the net debt, is the popular expression; the other is the funded debt, or, as my hon. friend from West Calgary (Mr. Bennett) described it, the dead weight debt. I myself prefer to call it the mortgage debt of the country. Now, the term "net debt" is a misnomer; it is meaningless. I hold in my hands the Public Accounts of the years between 1922 and 1926. I take for purposes of illustration the latter year. In the Public Accounts, on page 3, will be found the balance sheet of the Dominion of Canada, and I would invite every hon. gentleman who has any knowledge of accountancy to examine that statement. What do we find in it? We find among the assets certain sums mentioned under various headings. For example, there is "cash on hand." What does that represent? It means simply current cash that happens to be in the hands of scores of the representatives of the government throughout the Dominion, and so far as it has any relation to the reduction of the debt, it does not amount to the snap of the finger. It may be needed to-morrow; it is simply cash in the till carried from day to day, and represents no resources from which the funded debt may be paid. We might term it "petty cash" Then there is "specie reserve;" that is the gold reserve kept in the treasury in Ottawa against Dominion notes. That is something that cannot very well be used for the reduction of the fixed debt. Again, there are advances to the banks under the Finance Act; that merely refers to the fluctuating loans to the banks under that act to help the business of the country.

On the other side you have a certain amount of liabilities, including various items such as trust funds, post office money orders, outstanding Dominion notes in circulation, and so forth. The point I make is this: after subtracting the liabilities from the assets there is a net balance shown which is referred to as the net debt of the country, but which I submit has no relation whatsoever to the real debt. It is merely a balance between your assets and your liabilities, merely a bookkeeping sum; it is nothing more nor less than a means of keeping a double entry set of books in order. Now I take the funded debt, schedule (t), which gives the sum of $2,471,000,000. However, before I discuss the funded debt I will make a further reference or two to what is called the net debt. I find that the net debt on March 31, 1922, was $2,422,000,000 and on December 31, 1926, including the amount paid off last fall, it was $2,343,000,000; that is to say, we have a reduction in the net debt of $79,000,000, in a period of five years. That is nothing for this country to be proud of. I ask, where is the $110,000,000 of a reduction in the debt as announced by the Minister of Finance officially year by year? It is not reflected in these figures; it cannot be found in the blue books; it is not there. It is a myth. But stranger still, I find that as between the 1922 reports and the Public Accounts of 1926, there has been a reduction in the circulation of Dominion notes of $58,880,000, which forms a part of this $79,000,000 reduction in the net debt. Let me put a question to my friends from the west who for the last ten years have been quite serious in their economic studies. Do they consider that a re-

duction in the circulation of Dominion notes is of any great advantage to the business of this country?

Some hon. MEMBERS: No.

Mr. STEVENS: Here are the figures, and this is part of the $79,000,000 of which they boast; I will come to the funded debt in a moment and show an even more deplorable condition there. In 1922 the Dominion notes in circulation amounted to $241,000,000 in round figures, while in 1926 they amounted to something over $182,000,000, or a reduction of $58,880,000. What does this mean? We have a Finance Act which in Canada corresponds to the federal reserve system of the United States, in a somewhat modified form, and hon. members will recall that in the revision of the Bank Act in 1923 this point was advanced as the reason why we should not establish a federal reserve bank in Canada. I took that view then and I still hold to it, but I ask that the Finance Act should function; I ask that the advantages and powers of that Finance Act be put into operation, and the figures to which I have just referred indicate that under the Finance Act the circulation of Dominion notes is less by $58,880,000 than it was in 1922, with a corresponding retardation of current business in the country.

Mr. GARLAND (Bow River): Might I ask a question, just for information? Does the hon. gentleman attribute that decrease to the disposition on the part of the banks to refrain from offering for discount their own particular securities?

Mr. STEVENS: Perhaps that may be so, but I claim that it is the duty of a government to influence the movement of business and trade; I do not say the government should get into business and control it, but I do say the government should influence the movement of business and trade for the benefit of the whole country. They can very readily attract attention to this facility and encourage the banks and others to utilize this accommodation which is at their disposal.

Mr. ROBB: Before my friend leaves that point, I suppose he will admit now that Canadian currency is on a sounder basis than it was during the earlier period to which he was referring, when Canadian funds in New York were at a 16 per cent discount?

Mr. STEVENS: No one has more regard for the minister than myself, but with all due respect to him that is not an intelligent interjection, and the minister knows that it is not; he is simply drawing a red herring across the trail. The discount to which our money was subjected was due to extraordinary world causes entirely, and not to Canadian causes. Now I will give the minister a further answer: I was just looking for further figures when he interrupted me. The situation is that we needed this money to bolster up our credit. In 1922 we had $241,000,000 of Dominion notes in circulation, with a specie reserve of $85,000,000; to-day we have a specie reserve of $99,000,000 with a Dominion note circulation of $182,000,000. In other words, we have now a specie reserve of about 54 per cent as against about 35 per cent in 1922; I had the figures here somewhere but they have been mislaid. There is no excuse for that; we could very easily increase our Dominion note circulation without the slightest chance of jeopardizing the stability of our currency.

Now I turn to the funded debt, which is the real debt of the country, our inescapable obligations. These are the obligations this country has signed, sealed and delivered to the public of Canada or to the public of the world, and I want the House to examine this question for a moment with me. I have the figures from 1922 to 1926, varying from $2,420,000,000, in 1922, to $2,471,000,000 in 1926, or an increase in our funded debt in that period of $51,000,000. If you deduct from that the amount of $35,000,000 paid off last year, you have a net increase to date in our funded debt of $16,000,000. Where is the $110,000,000 which was announced as a reduction of the public debt? I saw great headlines in newspapers all over the country; I had not time to dig them up and bring them here, but they would have made interesting pictures: "Robb reduces the public debt $20,000,000," or $35,000,000, $22,000,000, $31,000,000! Every year this has been heralded throughout the country as a great accomplishment of this government, but here are the figures taken from the government's own books, the report of the Auditor General, showing a net increase in that five year period in our mortgage debt of $16,000,000.

That is not all; in addition to that amount of $2,471,000,000 there are the railway guarantees of $658,000,000. But someone will say, "Oh, we have great assets to offset that." Let us see if that is so. What are our obligations to the National railways, or let me put it in another way; what have we put into the railways of this country? According to the annual report of this government, Mr. Speaker, we have put into the railways no less than $1,113,590,000 in cash, plus the guarantees of $658,000,000 or a total of about

$1,770,000,000. Do not say to me that in connection with this railway obligation we have a magnificent asset. It is true that we have an asset, but we also have an investment of $1,770,000,000. Now I will return to my starting point; in addition to the ordinary funded debt we have these railway guarantees of $658,000,000, just as serious an obligation on this country as any other. And what if it came to a revaluation? Where is the Minister of Immigration (Mr. Forke) now, he who was so anxious to interrupt me a moment ago? He has fled the chamber. Where is the policy of the Minister of Immigration, which he announced year after year when he sat to my left; where is his policy of revaluation of the National railways, now that he is on the other side of the House? I say to him and to this House that if the National railways were revalued the result would in all probability show a difference between our investment and the revaluation of a sum approximating this item of guarantees, namely $658,000,000. So for all practical purposes this amount should be added to the funded debt of this country, which would give a total of $3,129,000,000 as our real debt, instead of $2,400,000,000 as given by the Minister of Finance.

Now I wish to turn my attention to the question of taxation, and before commencing I may say that I wish to address myself in some measure to the Minister of Immigration, who is not in his seat. I may say that I advised him a few moments ago before he left the House that I was going to do so, so that he has no excuse for saying later on that I attacked him in his absence.

An hon. MEMBER: He is the minister of migration.

Mr. STEVENS: I said a little while ago that one of the subjects that should have been discussed in this budget, as in all budgets, is the question of taxation. I hold in my hand certain announced surpluses claimed by this government. My hon. friends opposite in 1924 announced a surplus of $35,990,000; in 1925, they announced a surplus of $24,300,000; in 1926, they announced a surplus of $33,910,000; and in 1927, they announced a surplus of $34,-200,000, or a total of $128,400,000. I ask again, as I have asked in the case of that mythical reduction of the public debt, where are these surpluses? Oh, someone will say, they are applied to the reduction of the national debt. No, they were not. These are accountancy terms, bookkeepers' terms, to balance current accounts, and for the life of me I cannot see the justification of it. But the minister told us the other day—and he did it in that quiet, gentle way, which is peculiar to him and which I think won the hearts of a great many people in the last election; I hope they will have awakened from their sleep, the result of his seductive terms—"I am pleased to announce a further reduction in taxation of $27,000,000." He said the same thing before; he said it last year. My hon. friends from the extreme left to the right on the other side of the House have used this as one of the strongest arguments to support this government—"reduction in taxation".

Well now, what are taxes? Taxes are simply the various returns from certain sources of revenue which we have. My hon. friends from the west, who are of strong free trade tendencies, always refer to the customs duty as a tax. No one will deny that the sales tax is a tax; no one will for a moment say that the income tax is not a tax; no one will say that the various stamp impositions are not taxes. All of these are taxes. Indeed our revenue from top to bottom, and from one side to the other, is taxation. Now let us see what reductions we have had in taxation. I take the five years just past, from 1923 to 1927, and the average imposition of taxes of this kind by this government was $387,780,000. In the previous years under the Conservative government the average was $348,500,000, or an increase of $39,280,000 in the average of the last five years over the previous five years. In other words, it is a ten per cent increase of taxation taking the average of the last five years as against the average for the previous five years. Now what I want to say is this: We have been told year by year that taxes are being reduced. I said at the opening of my remarks that the Minister of Finance had not reduced taxes, he had merely shifted them, and that is precisely what has occurred. What did he do last year? Oh, they say, he lowered the tax on automobiles. Let us see if he did. He reduced the tax on automobiles when he introduced his budget. Then came three thousand workers from Oshawa to make representations to this parliament, and my hon. friend and his colleagues prayed earnestly day by day that the debate might be carried on, and they carried it on for five weeks. In the interim they revamped their budget, they changed the whole business. They shifted the burden of taxation round a bit first so as to drive certain industries out of business and save the industry which at first was threatened by the reduction of the tariff, and the automobile industry at the conclusion of the deal that was made, was better off than

it was before. With what results? There was an increase in revenue from goods coming in from the other side whereas hundreds of persons in Canada were thrown out of business. But the point I am making is that the taxes imposed during the last five years are ten per cent higher than the taxes collected in the five years preceding their accession to office.

Now the Minister of Railways (Mr. Dunning) said last night "They say this is a Tory budget. Does anybody doubt which is the high tariff party and which the low tariff party?" I did not hear very much noise on the other side in response to that. I think there was a good deal of doubt in their minds as to the wisdom of the Minister of Railways making that statement. The minister said, "No one doubts which is the high tariff party and which is the low tariff party." I purpose discovering this afternoon something regarding this high tariff party. The Minister of Railways said also that since 1921 the tariff has been lowered in many important particulars. There was a certain lowering here and a certain lowering there which I shall deal with, but these changes certainly did not result in a lowering of the taxation on the people of Canada. There have been three major changes in the tariff since this government took office in 1921. There was a change in 1922-23 in the woollen schedule; there was a change in 1923-24 in the iron and steel schedule, chiefly regarding agricultural implements and subsidiary industries; and the change last year in regard to the automobile industry. I intend to examine briefly the exact effects these changes have had on the industry of Canada, and I wish the House to follow my analysis with some care because I believe it will offer rather startling results.

Before doing that, however, I wish to deal with this high tariff—low tariff bogy. My hon. friend, the Minister of Agriculture, trots out the bogy of high tariff every once in a while. How he fulminated against this party a few years ago on account, as he said, of our high tariff tendencies, and how he declared, "Why, the Liberal party, the Mackenzie King government, were just making a beginning." But along came some skilful hand that turned aside his mad charge against protection, the skilful hand of the Minister of Finance, and left my hon. friend bellowing up a blind alley. Then we come to the Minister of the Interior (Mr. Stewart). He had hold of the rope attached to the bell to toll it. He said, "I am sounding the death knell of protection," and he yanked away on this rope. Suddenly he woke up with the frayed end of the rope in his hand, and the bell stopped tolling. He found also that some mysterious hand had slipped in and cut the rope. It was the hand of the Minister of Finance that turned aside this other doughty warrior from carrying on his assaults. And then we have the Minister of Immigration. The Minister of Immigration came into this House after attending —he may not have attended but he approved their findings—a gathering which designed the farmer platform of the west. My hon. friend entered this House after subscribing to the solemn league and covenant of the Farmers party. He came here with tears in his eyes, assuring the House of the one Simon-pure object of the attendance here of himself and his followers, namely, to destroy this terrible thing known as protection. We still have them with us. I look yonder and I see my hon. friend from South Huron—

Mr. McMILLAN: I am listening. The hon. gentleman complains of the lack of noise on this side of the House. He is making sufficient noise himself.

Mr. STEVENS: We still have one Simon-pure free trader with us. But the Minister of Immigration came into this House pledged that:

—the protective tariff has been and is a chief corrupting influence in our national life because the protected interests, in order to maintain their unjust privileges, have contributed lavishly to political funds—

and so on. Then he goes on to say:

Therefore be it resolved that the Canadian Council of Agriculture, representing the organized farmers of Canada, urges. . . . an immediate and substantial, all-round reduction of the customs tariff.

Then he goes on to say:

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

Mr. FORKE: Mr. Speaker—

Mr. STEVENS: Wait a minute.

—in five years.

Mr. FORKE: As a matter of privilege, may I say that the hon. member in speaking is continually repeating: "He goes on to say." I would ask him to give his authority before he goes any further.

An hon. MEMBER: Does the minister object?

Mr. FORKE: No, I do not object.

Mr. STEVENS: I am referring to, and quoting verbatim from the Farmers' platform.

Mr. FORKE: The hon. member says: "He goes on to say." I do not say so.

Mr. STEVENS: Well, this is a sad spectacle—

Mr. FORKE: Be fair.

Mr. STEVENS: It is a sorry spectacle that the Minister of Immigration, who came into this House and sat for five years on this side, pledged to this platform, now says that he did not say it. I suppose he did not write it. Let my hon. friend go back to his farmer electors in Brandon. Let him go through Manitoba. Let him go through Saskatchewan where he went last election, and the previous elections too. Let him tell the electors there that he had nothing to do with this. Let him repudiate this platform before the electors who sent him here to carry it out. No apostate ever found the road afterwards a bed of roses. But I have the words of my hon. friend himself. He repudiates the Farmers' platform.

Mr. FORKE: I did not repudiate it.

Mr. STEVENS: He repudiates it. Very good. I find this reported in Hansard of May 14, 1923, at pages 2718 and 2719:

Moved by Mr. Forke seconded by Mr. Johnston.

Some hon. MEMBERS: Who is he?

Mr. STEVENS: Both of whom led their followers year after year into the support of the government, both of whom led a contingent over there who are surrounded to the left and the right, behind and in front, by Grits but who are there nevertheless, one of whom received a seat in the cabinet and the other the Deputy Speakership of this House for the valuable services they rendered. These are the men who moved this:

Whereas the tariff policy of the government, as indicated by the Minister of Finance in his budget speech, and particularly his pronouncement in favour of tariff's stability at existing rates, and the consequent intimation that the government contemplates no further appreciable tariff reduction, constitutes a repudiation of the tariff planks in the Liberal platform of 1919 and is inconsistent with the Finance Minister's statement last session that the changes then made were a step in the right direction.

He condemns the Minister of Finance for not carrying out his preëlection pledges. He himself stands condemned out of his own mouth for being an apostate to his own pledges. The resolution continues:

[Mr. Forke.]

And whereas the fiscal policy of the government as now brought down is based on the principle of protection,. . . .

Therefore, be it resolved: That. . . . this House is of the opinion that the principle of protection as a basis for fiscal policy in Canada is unsound.

Mr. FORKE: Hear, hear.

Mr. STEVENS: Let him applaud this:

And, further, that the best interests of Canada will be served by an immediate and substantial reduction in the tariff.

Mr. FORKE: We got it.

Mr. CASGRAIN: It was made.

Mr. STEVENS: My hon. friend sitting in a $14,000 seat has a change of heart. I imagine that this minister will not be very long in his office, and while I hope physically he will be long with us, I expect politically he will not be very long. Over his political grave will be this epitaph:

Here lies the body—

Political body, of course,

—of one who pledged to his electors his plighted word, entered into a solemn league and covenant with them to carry out some high principles, who, having attained office, later found that the attractions and emoluments of office conflicted so with his preëlection pledges that his conscience, strained to the breaking point, cracked and broke, and thus ended this illustrious political career.

My hon. friend a moment ago thumped his desk vigorously when I referred to that part of his resolution which dealt with the protective principles of the tariff. Will he say, or will any other hon. member on that side, say that there is any less protection in the tariff than there was six years ago or five years ago? I am going to examine, for the benefit of this House, the figures and facts in regard to this matter, and in this regard I take them from the government's own productions, which I have on my desk. I am not going to read all the figures, but I have a table showing the dutiable and the free imports, with the totals, the amounts collected, and the per cent dutiable and the per cent free. I have it over a period of ten years and it shows the following result. I will give the two five-year periods first.

The average rate of duty during the last five years of Conservative rule, 1918 to 1922 inclusive, was on dutiable goods, 22.1 per cent, and on dutiable and free goods, 13.2 per cent. During the last five years under Liberal rule, 1923 to 1927, the percentage of duty on dutiable goods was 24 per cent and the percentage on dutiable and free goods, 15.5 per cent.

In other words, during the last five years the rate of duty on dutiable goods was 2 per cent higher than it was during the previous five years, and the rate on dutiable and free goods was 2.3 per cent higher. But someone will say to me: Oh, but during the last year or two we have been lowering the tariff. Let us see. Let the House bear in mind the observation I have already made on two occasions, that there has been going on, not a lowering, but a shifting of taxation. In 1921 the percentage on dutiable goods was 20.6 per cent; in 1926 the percentage of duty on dutiable goods was 24.7 per cent; or in other words, it is higher this year than it has been in any single year in the last ten years with the exception of 1923. In other words the rate of duty charged by the tariff of this country has not been reduced at all. We do not quarrel with that. What we do quarrel with is that this government and its followers, the Minister of Immigration, the Minister of the Interior, the Minister of Agriculture, and others, when it suits their purposes, go to the country and declare that they have lowered the tariff, the customs duties, whereas as a matter of fact the cold figures show that if there has been any change at all, there has been a slight increase. Then they say that the Tories maintain a protective tariff but they eschew protection. There is exactly the same protection in the tariff to-day as there was prior to 1921; in fact a little more.

Mr. MacLEAN (Prince): Will you admit that the general percentage of duties proves anything as to the actual duties paid on our most important imports?

Mr. STEVENS: I will admit to my hon. friend that if you want to escape from a dilemma the tariff and the trade returns will probably offer to you as many avenues of escape as you can find anywhere. I will agree to that, but I say now that in order to show in the main, general, broad perspective the trend of things, these figures are accurate and fair.

I turn now to another phase of my subject, and that is the question of trade.

Mr. YOUNG (Weyburn): If the statement you have made this afternoon be a fair one, will you explain to the House all of the arguments that your party presented here last year about the ruining of industry by the reduction of the tariff?

Mr. STEVENS: I will deal with that if you will give me your attention. I have five or six pages of argument on that point which I think is very cogent. I turn now to an analysis of our trade, imports and exports. I will deal first with the imports, and I will ask the House to follow me and get the general trend of our business, for after all it is only by getting a broad perspective of affairs that we can properly judge the drift of the country's business. It is not an important subdivision, but it is a subdivision worked out by the officers of the statistical branches of the different departments. This trade is divided up under certain headings. I am going to give them very briefly, and I am going to compare the imports of 1922 with those of 1926 and give the various increases. Taking agriculture first, the imports in 1922 amounted to $173,000,000, increased in 1926 to $203,000,000, an increase of thirty million or eighteen per cent. Then the imports of animals was $46,600,000 in 1922 and $41,000,000 in 1926, an increase of $2,500,000, or five per cent.

Then I turn to textiles. Hon. gentlemen will remember that there were three main reductions in the tariff, one on textiles, one on iron and steel products in 1924, and one on automobiles and vehicles. The import of textiles was $139,000,000 in 1922 and $184,000,000 in 1926, an increase of $44,000,000 or 32 per cent. Then wood and paper is practically stationary. I observe there is an increase of 13 per cent. Then the imports of iron in 1922 were $110,000,000 and in 1926 $181,000,000, an increase of $70,000,000 or 64 per cent. Then I take non-ferrous metals which are largely composed of manufactured goods, copper, electrical apparatus, brass goods, tubing and wiring, and such like, and I find the imports were $29,000,000 in 1922 and $47,000,000 in 1926, an increase of $17,000,000 or 60 per cent, and non-metallic metals imports in 1922 were $137,000,000 and in 1926 were $139,000,000, an increase of over a million, or one per cent. Then we imported in 1922 $24,000,000 worth of chemicals and in 1926 $28,000,000, an increase of $3,000,000 or fifteen per cent. The complete table is as follows:

Analysis of Imports

Description	1922	1926	Increase	Per cent
Agriculture	$173,665,000	$203,417,000	$30,742,000	+18.
Animal	46,645,000	49,185,000	2,540,000	+ 5.
Textiles	139,997,000	184,761,000	44,764,000	+32.
Wood and paper	35,791,000	40,403,000	4,612,000	+13.
Iron	110,210,000	181,196,000	70,986,000	+64.
Non-ferrous	29,773,000	47,692,000	17,919,000	+60.
Non-metallic	137,604,000	139,033,000	1,429,000	+ 1.
Chemicals	24,630,000	28,404,000	3,774,000	+15.
Miscellaneous	50,485,000	53,232,000	2,747,000	+ 5.
Total	$747,800,000	$927,323,000	all imports	24.

I desire to bring to the attention of the House the fact that there are three classes where there has been a substantial increase; one was textiles where the increase was thirty-two per cent, and another was iron where the increase was sixty-four per cent. In non-ferrous metals the increase was sixty per cent, and it should be remembered that the average increase in imports is about twenty-four per cent. So that under these three headings we have an abnormal increase in imports. These are the items in which reductions were made in the tariff. I am going to sub-analyse these and bring them under three headings. Under textiles I find that cottons are about stationary—8 per cent, which is very small. The importation of silk is increased about 35 per cent, hemp and flax about 94 per cent and woollens 40 per cent. The complete table is as follows:

Textiles— Imports

	1922	1926	Per cent
Cottons	$52,500,000	$56,500,000	+ 8.
Silk	21,900,000	29,600,000	+35.
Hemp, flax	8,060,000	15,640,000	+94.
Woollens	35,200,000	49,350,000	+40.

The chief increases are in lines produced in Canada. We have been trying to develop hemp and flax in this country for many years. Certain government assistance was given, to a factory in Guelph if I recollect correctly, and there is a general desire to stimulate and increase the production of hemp and flax.

Mr. BROWN: Can you tell us the duty on those items?

Mr. STEVENS: I cannot give the duty. I will deal with the question of woollens now. In 1923 the duty on woollens was reduced, and following the reduction of the tax on woollens several mills closed down and many thousands of workers were thrown out of work, and furthermore that industry has not yet recovered. The other day one industry was picked out in the rise of stock, I think Penmans, and desks were thumped as a complete vindication of the government's policy, but as everybody knows, Penmans produce an article which is peculiar or unique in itself. They have developed a class of underwear against which there is very little competition and in which they excel, and everybody is glad of it. We would like to see all other industries as prosperous. But the knitting industry is only a branch of the woollen industry. Hon. gentlemen might follow me in some references to an address presented to the Minister of Finance (Mr. Robb) on February 1, 1927, just before the budget was brought down, by the Canadian Woollen and Knit Goods Manufacturers' Association. I am not going to read this statement of their views but I will give some of the facts brought out by them. For instance, this manufacturing industry affects some 446 mills and factories in Canada employing 33,000 people with salaries of $30,000,000 annually. Included in these are the woollen goods industry which has 276 spinning, weaving and knitting mills, situated in 140 municipalities and employing some 22,000 workmen. This is an industry indigenous to Canada, one of the industries looked upon as the backbone of Canadian industrial life fifty, seventy-five or a hundred years ago, one of the basic industries of the country, superseded by iron and steel, but it is the industry which gave Great Britain her greatness. It is the industry upon which, prior to the introduction of iron and steel, other industries rested and it is now really a secondary industry, but very important. Now this is where it affects other branches of industry.

Mr. YOUNG (Weyburn): Can my hon. friend explain how it is that in spite of the fact that the tariff provides a duty on raw wool those same manufacturers import raw wool without paying duty?

Mr. STEVENS: That is the drawback system for export business.

Mr. YOUNG (Weyburn): Do they export all they manufacture?

Mr. STEVENS: I will give you the figures. In our system of customs duties we give all industries a rebate on export business, and properly so. Here are some figures which will answer my hon. friend's question. In the year 1922 there were imported into Canada 12,000,000 pounds of wool. There was a domestic production of 20,000,000 pounds, and there was retained in Canada 32,000,000 pounds. That is the amount of domestic and imported wool retained in Canada. In 1926 there was imported and retained a volume of 13,000,000 pounds; there was raised and retained 9,000,000 pounds—a total of only 22,000,000 pounds. In other words, owing to the reduction in the duty on goods comprised in the woollen schedule there was a reduction in the use of wool in Canada, imported and domestic, of over 10,000,000 pounds. The use of Canadian wool in these manufactures dropped from 20,000,000 to 9,000,000 pounds. I have held the view for many years that our agricultural industry would be infinitely better off if wool production was added to its general activities. It is admitted by all expert agriculturists, I think, that this is sound policy. And yet we have in vogue a tariff policy which is discouraging the production of domestic wool—a policy indeed which has resulted in a drop of the production of domestic wool for weaving in Canada of over 10,000,000 pounds, or more than 55 per cent.

Now I want to show another phase of this subject—wages. This affects the workers of Canada. My hon. friend asked: Why cannot Canada produce just as cheaply as Great Britain or any other country? And they add: If our manufacturers cannot do so then they are not entitled to any consideration. That, I admit, is a bald, crude statement, but it is really the argument that is advanced. I will give the House now the reason why our manufacturers cannot produce as cheaply as the manufacturers of Great Britain, and I challenge any hon. member seriously to attempt to controvert these facts as far as they relate to Canada. I have under my hand the whole list of labour engaged in the woollen spinning trade. Let me give the average percentages for the information of hon. members.

For this class of workers the average wage paid in England is $8.65 per week, in Canada it is $16.35. Fifty-five per cent of the cost of a woollen article is in wages. That being the case, it requires a duty of at least 27½ per cent before you put the Canadian spinner on an equal footing with the British spinner. In other words, if you put aside the tariff altogether you would give to the British spinner a premium of 27½ per cent. Someone will say: Well, cannot you lower the wages of the Canadian spinner? There are certain reasons why we cannot. First, we do not wish to lower the standard of living. I do not think anyone will challenge that. But there is another reason, which is obligatory in its character. The main provinces that are affected, Ontario principally, have what they call a minimum wage law. This law has been placed on the statute books of the provinces as the result of public opinion that the workers in these factories are entitled to a certain minimum wage. That minimum wage corresponds very closely to this $16.35—not exactly. But I say, if you reduce wages in Canada to a point equivalent to the wages of their competitors in Europe, then you would go below the scale provided by the minimum wage law.

Mr. HEAPS: Does the hon. member imply that the minimum wage in effect in our provinces applies to both male and female workers?

Mr. STEVENS: In some of the provinces it applies to both.

Mr. HEAPS: It does not affect the woollen industry at all.

Mr. STEVENS: I will follow my friend's argument. Those engaged in this industry are very largely women workers. But as a representative of labour will my hon. friend suggest to me for one moment that we should lower our wages simply because the law does not happen to protect these workers?

Mr. HEAPS: Absolutely not.

Mr. STEVENS: Certainly not. My hon. friend, I think will follow me in every step I take. We have an average wage in Canada of $16.35, in Great Britain of $8.65. Let my hon. friend follow me a step further, and he will see the absolute justice of our tariff—or the injustice at present; its justice before. Fifty-five per cent of the cost of production of goods is wages. Therefore in order that the Canadian workman may produce these goods and maintain his wages at $16.35, he

must have a tariff of at least 27½ per cent. That is the point I am making. Canadian workers are placed under a handicap when you go below that figure—without giving to the manufacturer one atom of protection. Do not let us forget that.

Mr. WARD: Would the hon. member state that the Canadian tariff on woollen goods is less all round than 27½ per cent?

Mr. STEVENS: Yes.

Mr. WARD: Has he the figures?

Mr. STEVENS: Yes. My hon. friend has in his mind the general tariff against the United States. But these goods do not come from the United States; they come from Great Britain and Germany. The German wages are more startling still. Italy pays $3.15, France $4.05, Germany—I thought I had the German figures, but I have not. The German wage is about half that of Great Britain.

Mr. HEAPS: Is the average wage which the hon. gentleman is now giving—$16.35—the average wage for both male and female workers in Canada?

Mr. STEVENS: Yes.

Mr. HEAPS: What about the English average?

Mr. STEVENS: The same thing.

Mr. HEAPS: Does not the average for Great Britain cover both male and female workers?

Mr. STEVENS: I did not wish to weary the House by giving these figures in detail, for I notice that overmuch detail tends to make hon. members lose interest in the trend of one's argument. But here they are:

	England	Canada
First drawer..	$7 21	$13 92
Second drawer..	6 99	13 92
Rovers and reducers..	6 76	12 96
Twisters..	6 99	13 44
Winders..	6 53	14 64
Reelers..	7 21	14 40
Spinners..	5 76	13 44
	6 38	13 44
Doffers..	6 73	9 28
Gill box minders.. ..	8 75	17 88
Weavers men.. ..	12 70	24 98
Weavers women.	8 75	16 80
Shippers or warehousemen..	11 18	19 50
	13 58	19 50
Firemen..	14 01	27 09

In other words, nearly the whole schedule is uniformly double, but the average, as I say, is $8.65 and $16.35.

[Mr. Stevens.]

Mr. ADSHEAD: Is the hon. member taking into consideration the increased efficiency of the Canadian workman with the machinery at his command?

Mr. STEVENS: I do not know whether my hon. friend speaks by the book or not. I have not investigated that phase of the matter, but I will say this: If he can show me any country in the world that can beat Great Britain in turning out woollen goods, I shall be glad to know it. I do not think he can. Let me give him another point. I was in a Canadian mill about a year ago where there was a huge machine that would extend across this building. Every wheel in it came from Great Britain. It was a machine modelled on the lines of the latest British weaving machine. I do not know the business, all the information I have in regard to it is gathered from these official reports, but I do know that in all this class of labour Canada pays double what they pay in England and three to four times what they pay in Italy, Germany and France. Therefore I say that if you make the duty lower than 27½ per cent you penalize the Canadian worker. You must concede that 27½ per cent before there is an atom of protection to the manufacturer. I shall not labour that point further.

Now let me turn to the non-ferrous metals, in regard to which one can make a very interesting analysis. Our imports of copper and the manufactures of copper, amounted to $2,800,000 in 1922, and $7,600,00 in 1926, or an increase of 171 per cent. This offers the most magnificent opportunity for Canada of any of the various industries, for we produce a considerable quantity of copper ore. The largest consumer is Great Britain, with 150,000 tons of refined copper per annum, while the next largest is Germany, consuming 94,000 tons yearly. Canada produces a lot of that copper but she exports it in the raw form as ore or ore matte to the United States to the extent of 82 per cent. That 82 per cent is exported in the raw state absolutely untouched, apart from its extraction from the ground. In the United States it is manufactured, and Germany buys 84 per cent of her total requirements of this commodity from that country, a substantial portion of which is Canadian copper sent across the border in the form of ore matte entirely unrefined. Last year we produced 111,000,000 pounds of copper and exported in the form of raw ore, at 12½ cents per pound, 109,000,000. Just imagine! Out of a total production of 111,000,000 pounds we shipped to the United States 109,000,000 pounds almost en-

tirely raw, unrefined and unsmelted. Then take our imports, which consist chiefly of electrical apparatus. We dig the ore out of the ground, load it into scows by the thousands of tons, and that is all we do to it. Thereafter it goes to the United States to be refined, rolled and manufactured, and we buy it back in the shape of electrical wire, radio apparatus and electrical fittings of various descriptions, paying 36, 40, 50 and 70 cents a pound, although we sell it at 12½ cents a pound in the raw in the form of rock. The complete table of imports of non-ferrous metals is as follows:

	Value		
	1922	1926	P.C.
Copper production, lbs..	111,400,000	15,600,000	
Copper export ore lbs. and matte..	109,100,000	13,500,000	
Imports—			
Electric apparatus..	$11,000,000	$16,700,000	52
Copper, chiefly mfg..	2,800,000	7,600,000	171

Talk about the development of industry in Canada! Why, Mr. Speaker, all we are doing is acting as quarrymen for the United States. The Minister of Trade and Commerce (Mr. Malcolm) the other day made a passing reference to this matter, skating over it very lightly in a speech which in other respects was admirable. He referred to aluminum and declared that our imports were going up. Where are my Saskatchewan friends while we are discussing this particular question? Do they know that in the province of Saskatchewan there are the finest beds of aluminum clay that are to be found anywhere in the world? Does that signify nothing to them? Do they know that most of the aluminum on the continent is taken from certain beds in Kansas? Do they know that nearly all the aluminum manufactured in Canada is imported alumina, the metal form of the product, which we purchase to the extent of 95 per cent? Our imports of aluminum, the finished product, have increased 225 per cent in the last five years, nothwithstanding that in the province of Saskatchewan, lying dormant, there are millions upon millions of tons of alumina, or aluminum in clay form, which could be developed. I appeal to the Saskatchewan Coöperative Dairy, that splendid organization which is producing millions of pounds of butter a year. Would it not help them to have an industry giving employment to several thousand men right in their own province? Would it not be better to have these men working in the province and consuming their dairy products rather than having to compete in the markets of the world for the disposal of their butter? Is that not of some value? And in northern Alberta sodium and aluminum clay lie side by side, yielding all the ingredients requisite for the manufacture of the finished aluminum product. Yet we have increased our imports 225 per cent. In face of all this the government declares complacently that there is no problem; everything is lovely; business is prospering. Are these not problems which this House should be dealing with? Should we not look them in the eye and try to find some solution for them?

I come now to what I call the tragedy of the iron industry. If these figures do not bring the blush of shame to the face of every Canadian, then I say that Canadian is lacking in some appreciation of the possibilities of his country. Our imports of iron and steel products in the five years preceding the war —I take these five years because they represent a normal period, the interval during the war having been abnormal—amounted to $95,500,000 per annum. The average for the last five years is $169,000,000, or an increase of eighty per cent per annum. In other words, in the last five years, our average imports have exceeded by eighty per cent a corresponding period before the war.

Mr. BROWN: What would be the figures in tons instead of dollars?

Mr. STEVENS: I will give the figures in a moment, and I would ask the hon. gentleman to be good enough to study them carefully. Our imports in 1922 were $138,000,000 and in 1925, $166,000,000. It will be recalled that between these years there was a revision of the tariff downward on iron and steel products which ruined certain subsidiary industries. In 1926 our imports were $219,000,000, that is for the calendar year Now, what about the production of pig iron? In 1913, the last normal year before the war, we produced 1,008,000 tons of pig iron.

Mr. BROWN: My question related to imports.

Mr. STEVENS: This is more germane to the question, if my hon. friend will be good enough to follow the analysis. In 1913, I say, we produced 1,008,000 tons of pig iron

while the average for the last five years has been 632,000 tons, or a decrease in production of 37 per cent. Just contrast the figures I have given. Our increase in imports has been 80 per cent, while our production has been 37 per cent lower. Will anyone tell me as a Canadian that this is sound business?

My hon. friends opposite shouted from the housetops their wonderful policy of lowering the cost of the implements of production. Those were attractive words. But I ask hon. gentlemen now, has it paid? No, Mr. Speaker; far from that it has been a tragedy for this country. Our imports of manufactures in iron include all rolled mill products, something which Canada can and does produce in every province, comprising bars, rods and so forth, and in 1922 the total was $20,000,000. There was a lowering of the tariff with the result that in 1926 this amount had increased to $47,000,000, or 135 per cent. Take machinery, not agricultural but implements generally. In 1922 our imports amounted to $24,000,000 and in 1926, $38,000,000, or an increase of 60 per cent. Imports of agricultural machinery, amounted in 1922, to $7,700,000 and in 1926 to $17,500,000, or an increase of 129 per cent engines and boilers, in 1922 $4,800,000 and in 1926 $13,900,000, or an increase of 190 per cent. Follow me again; rolling mill products show an increase of 135 per cent; machinery not agricultural shows an increase of 60 per cent; agricultural machinery an increase of 129 per cent and engines and boilers an increase of 190 per cent, and mark you the average increase of imports over the same period was 24 per cent. Do not tell me that this is healthy; we have a normal increase of 24 per cent in all our imports, but in these things which mean bread and butter to tens, yes, hundreds of thousands of Canadians there are increases of 135 per cent, 60 per cent, 129 per cent and 190 per cent respectively. There is something wrong. Sir, these things alone should command the attention of parliament; we could well afford to cast to the winds practically all the business of this session and turn our attention to these matters. Parliament should face these facts.

Now let us turn to the exports, and we will see an equally startling situation. Our exports under the same headings, which are fixed by the government officials and very wisely so, show the following:

	1918-1922	1923-1927	Per cent
Agricultural	$418,150,000	$464,000,000	*11.
Animal	218,500,000	156,000,000	†28.
Fibres and textiles	23,500,000	8,700,000	†67.
Wood and paper	190,000,000	265,000,000	*39.
Iron products	66,000,000	65,000,000	† 1.5
Non-ferrous	59,000,000	76,000,000	*30.
Non-metallic	28,000,000	25,000,000	†11.
Chemicals	32,000,000	16,000,000	†50.
Miscellaneous	.....	.....	
Total	$1,185,000,000	$1,125,000,000	

*Increase. †Decrease.

Mr. STEWART (Edmonton): My hon. friend is using war years now, is he not?

Mr. STEVENS: The minister very properly calls attention to the fact that about six months of the year 1918 was during the war.

Mr. STEWART (Edmonton): The years preceding the war were quite as important.

Mr. STEVENS: What is the point?

Mr. STEWART (Edmonton): I am not making any point; I merely asked the question.

Mr. STEVENS: My point is this, Mr. Speaker; those who now argue that the way to get prosperity is to trade with the world willy-nilly should look at the fact that our imports of textiles have increased by 32 per cent while our exports decreased 67 per cent; there must be something wrong which should be corrected, and that wrong was done in 1923 when the woollen schedules were tampered with. And, Sir, the thing that is wrong is writ in the blood and in the tears of thousands of workers who were driven out of their homes in this country. The Minister of Immigration (Mr. Forke) smiles, but it is no smiling matter any more than the tragedy of the iron and steel industry in Nova Scotia is a smiling matter. Let us look at the exports of wood fibre and paper; these show an increase of 39 per cent, with which I shall deal a little later. It will be noticed that there is an increase in our exports of agricultural products of 11 per cent, which is a very small item in view of the crops we have had in the last three years, but it is all to the good. The other two increases are, in wood fibre and non-ferrous metals, and in connection with non-ferrous metals our ex-

ports are raw materials, chiefly ore. Take asbestos; we are selling $7,000,000 worth of asbestos to the United States to be turned into $70,000,000 worth of products. We are told that in Canada we have the asbestos of the world, but all we are doing with it is digging it out of the ground and sending it out of the country, most of it in rock form, with some worked up into the first process only. I think it is sold at something like $7 per ton, or some such ridiculous figure, instead of being turned into material worth from $100 to $200 a ton, which work can be done here just as well as it is done south of the line.

Then, Mr. Speaker, the Minister of Finance referred to abounding business, and I am going to tell the House very briefly where the abounding business comes in. It emanates from three sources almost entirely; pulp and paper, in which there has been a tremendous increase; the development of electrical energy and in northern Ontario and Quebec the mining boom. Outside of these three, Mr. Speaker, I will show the House that in practically every line not directly dependent upon these you have a retardation of business instead of expansion. Of course, in the export of grain there has also been a huge increase in the last few years, but let us get a broad view of the situation. The Minister of Trade and Commerce referred to the way business was growing, so let us take the last four years of the Conservative regime, the calendar years 1918 to 1921 inclusive. The bank clearings for that period averaged $16,600,000,000 per year, with which we may contrast the last four years of the Liberal rule, with an average of $16,800,000,000. The difference is very small, in fact hardly worth mentioning. The point I am making is that business generally in Canada, other than in these three branches to which I have referred, is not progressing as it should. I believe, Mr. Speaker, that Canada has the greatest opportunity of any country in the world to advance; I believe that to-day Canada should be in a better condition than any other country in the world, but the facts do not bear this out, with the exception of these three branches to which I have referred, and which I will analyse briefly. Let us consider the development of electrical energy. Has it not been for the merely accidental discovery of a contract which this government was entering into with certain United States interests, the Carillon power would have been in the hands of those interests and delivered to the United States.

Mr. ROBB: Mr. Speaker, last year the Prime Minister denied that statement, and on behalf of the government I again deny it to-day.

Mr. STEVENS: I myself brought the question to the attention of the House about two years ago, and the whole question was discussed on the floor of the House. It was found then that the government, through certain powers it had under the act which did not make it obligatory for them to report to parliament, had a contract with American interests, and that contract was not completed simply because—

Mr. STEWART (Edmonton): Do not let him get away with that.

Mr. STEVENS: I can get away with it, simply because it is true. That contract was not completed simply because it was exposed in the House.

Mr. STEWART (Edmonton): That is not true.

Mr. STEVENS: I say it is true, and I say further that after I drew it to the attention of the House I went to Toronto and informed Mr. Howard Ferguson, Premier of Ontario. Mr. Ferguson took the matter up with Mr. Taschereau, Premier of Quebec, and between them these two gentlemen stopped the completion of that contract.

Some hon. MEMBERS: Hear, hear.

Mr. STEWART (Edmonton): If my hon. friend will permit, and if hon. gentlemen opposite will get through clapping, I may say that I do not make a practice of denying statements made by the hon. gentleman, but this is an occasion on which the statement is absolutely untrue. There never was any such agreement entered into. I do not say that there were not plenty of offers, but this government never entered into any such agreement.

Mr. STEVENS: The agreement was laid on the table of the House. I admit that the deal was not completed.

Mr. STEWART (Edmonton): Ah! That is very nice of my hon. friend but he should apologize.

Mr. STEVENS: I will apologize to no one. What? Apologize for having stopped a deal of that kind? Never!

Mr. STEWART (Edmonton): My hon. friend cannot get away with a statement of that kind—

Some hon. MEMBERS: Order.

Mr. STEWART (Edmonton): —at least it cannot go unchallenged.

Some hon. MEMBERS: Order.

Mr. STEWART (Edmonton): Order? I cannot understand why it is that when an hon. gentleman makes a statement of that kind and when one wants to put the truth before the House some one calls "order". Do hon. gentlemen not want to hear the truth? There was no agreement laid on the table of the House. If my hon. friend will ask for an order I will be glad to see it when it comes down.

Mr. STEVENS: Bring it down.

Mr. STEWART (Edmonton): All right, have the agreement that my hon. friend speaks of brought down.

Mr. STEVENS: I make the statement now, Mr. Speaker—

Mr. STEWART (Edmonton): The signing of such an agreement was never even contemplated by the government.

Some hon. MEMBERS: Order, order.

Mr. STEVENS: I make the statement again, Mr. Speaker, that an agreement was drafted and negotiated. It was aired in the House. It was fought by Mr. Ferguson, it was fought by Mr. Taschereau.

Mr. STEWART (Edmonton): I take exception to the word "negotiated". It was never negotiated.

Mr. STEVENS: Oh tut!

Mr. STEWART (Edmonton): My hon. friend is perfectly right when he states there were offers made to the government. There were offers made, innumerable ones, but no agreement was ever negotiated or ever signed.

An hon. MEMBER: By anybody?

Mr. STEWART (Edmonton): By anybody, or signed, or even the signing considered.

Some hon. MEMBERS: Take it back.

Mr. STEVENS: Take nothing back. Why, Mr. Speaker, the government were ready to permit the export and the then Minister of Railways now in the Senate, the Right Hon. George Graham, stood up in this House and defended it. They were ready to export this power to the United States, but Mr. Taschereau and Mr. Ferguson stood between them and the export of this power from Canada.

[Mr. C. A. Stewart.]

Mr. STEWART (Edmonton): I should just like to ask my hon. friend this question: Does he now state that the Right Hon. George Graham stated from his place in this House that he was prepared to sign an agreement and defend it, for the export of power from Carillon?

Mr. STEVENS: I did not say that.

Mr. STEWART (Edmonton): That is the inference my hon. friend is leaving. What did he say?

Mr. ROBB: If my hon. friend will allow me we will come back to the question. The hon. member for Vancouver Centre declared that an agreement was laid on the table of the House.

Mr. STEVENS: A draft agreement.

Mr. ROBB: That a contract had been made to send power—

Mr. STEVENS: A draft agreement.

Mr. ROBB: A draft agreement or an alleged draft agreement. I say now, Mr. Speaker, on behalf of the government, and I have been a member of the government of Right Hon. Mr. Mackenzie King since 1921, that there never was a contract signed. The government had always refused offers, had always refused representations made to us on behalf of Carillon. I say more than that. My hon. friend declares that Mr. Taschereau opposed to it. I say that a member of Mr. Taschereau's government attempted to get the government to put a contract through.

Mr. BENNETT: But not Mr. Taschereau.

Mr. STEVENS: Not Mr. Taschereau. Furthermore, all that is very nice but it is a case of making apologies after the facts.

Mr. STEWART (Edmonton): No apologies at all.

Some hon. MEMBERS: Take your medicine.

Mr. STEWART (Edmonton): I will make my statement when the hon. member gets through.

Mr. STEVENS: Had it not been for the fact that the thing was discovered and exposed on the floor of the House it would have been completed. That is my statement, and I say further—

Mr. STEWART (Edmonton): May I say to my hon. friend—

Some hon. MEMBERS: Order.

Mr. STEWART (Edmonton): I do not propose to allow my hon. friend to make statements of that kind. I do not propose to allow such statements to go unchallenged.

Some hon. MEMBERS: Order.

Mr. STEWART (Edmonton): It is an absolute misstatement of facts.

Mr. McLEAN (Melfort): Mr. Speaker—

Some hon. MEMBERS: Order, order.

Mr. DEPUTY SPEAKER: Order.

Mr. McLEAN (Melfort): I rise to a point of order. When the hon. Minister of the Interior rises to correct a misstatement, hon. gentlemen opposite shout "order". They object to any noise being made by members on this side but they make all the noise possible themselves. I appeal to you, Mr. Speaker, to control the noise which hon. gentlemen opposite are making.

Mr. DEPUTY SPEAKER: There is a well known rule that when an hon. member has the floor he may not be interrupted without his consent. Is the hon. gentleman raising a point of order?

Mr. McLEAN (Melfort): As a member of this House I am appealing to you to prevent disorder here.

Mr. STEVENS: I wanted to discuss briefly the three points upon which I claimed there has been activity. One has to do with water powers. I have intimated already that there was an effort made to secure the export of Canadian power to the United States and this is what I desired to say further: The development of electrical energy is one of the most vital needs of the country to-day, in view of the modern methods of manufacture, when Canada is peculiarly blest with great water powers, and the one thing which Canada ought to address itself to is to safeguard these great water powers for Canadian use. Furthermore, I asserted a moment ago, and I reaffirm it now, that as a result of a discussion in this House a few years ago we prevented the export of power and that, in my estimation, is a very vital thing to this country. I say this House ought to put beyond all peradventure the danger of a government entering into an agreement with large interests south of the line for the export of our power for the purpose of developing industry there. There should go out from Canada this declaration of Canadian policy: Bring your factories to Canadian power if you want to utilize that power for the use of those factories.

Now, Mr. Speaker, I have spoken long enough, altogether too long, much longer than I had contemplated. When the chief whip asked me how long I was going to speak I said I would speak about an hour if I were not interrupted, but that if I were interrupted I would probably take longer. These interruptions, which I welcome, usually result in the lengthening of one's speech. I will conclude with this statement: I have endeavoured to bring into survey before this House the actions of this government, deliberate actions which they affirm. I have endeavoured to show the effect of these actions upon the trade of Canada, and I have sought to impress upon the House that it was desirable and necessary that parliament should take cognizance of these things to, as far as possible, direct the policy of this country for the development of Canada, for the expansion of our industries within Canada, and the use of our resources for the benefit of Canadians, and not develop a foreign trade or foreign industries for the benefit of other countries.

Mr. C. R. McINTOSH (North Battleford): Mr. Speaker, I listened with a great deal of attention this afternoon to the hon. member for Vancouver Centre (Mr. Stevens) while he dealt with the budget as presented by the Minister of Finance a few days ago, and I noticed that he was labouring under special difficulties. The hon. member stated that the present budget was a static or stationary budget. A static or stationary budget can come only from a static or stationary party such as the one we have across the floor of the House. A budget brought down by the Liberal party is something different from a stationary or static proposition. It is a live-wire project. There is no doubt that at the present time in Canada the Liberal party, fundamentally speaking, stands for the same policy as the Liberal party has stood for in history. It stands for a policy of peace, retrenchment and reform; peace between one province and another in Canada fiscally, financially and every other way; retrenchment when it is possible to cut down the public expenditure and pay off the national debt, and reform—not stagnation. The party that stands for these three great principles of peace, retrenchment and reform in order to make a great Dominion, is the party that stands for a policy of action and not a policy of inaction such as that which has been handed down to us since confederation by the Tory party.

The hon. member tried to prove that our policy was one of inaction, of non-development. In 1868 the Tories were in power in Canada and our imports amounted to $37,000,000 and our exports to $17,000,000. How

is that for inactivity, for a stationary condition of trade? In 1878 our imports were $37,000,000, practically "stationary," the same as in 1868, and our exports amounted to only $45,000,000, or an increase of only $8,000,000 over our imports for the same year to the motherland, as regards which our Tory friends are always fond of saying how loyal they are, how they stand for a greater empire, for greater imperial relationships and trade. That was the condition under their rule in 1868 and 1878. These are facts and I defy anyone to contradict them.

In 1883 our imports from Great Britain amounted to $51,000,000 and our exports to $47,000,000. How is that for tying up Canada with the mother country from a commercial point of view? Not very much connection there. In 1896 our imports amounted to $32,000,000 and our exports to $47,000,000. After that we get the value of the imperial preference. In 1911 our imports amounted to $109,000,000 and our exports to $136,000,000. They go over the $100,000,000 mark for the first time in the history of Canada. In 1922 our imports amounted to $117,000,000 and our exports to $300,000,000. In 1925 our imports amounted to $151,000,000 and our exports to $397,000,000, or nearly the $400,000,000 mark. That is action; that is not a stationary condition of trade; that is not inactivity. There is nothing static about that. That happened during Liberal rule under the leadership of Sir Wilfrid Laurier. The British preference was introduced by the Liberal party in 1897. The Tories talked about it for twenty-five years, and yet after all their talk about loyalty, patriotism and imperialism, they were afraid to concede the preference on certain goods in order to link up Canada with the empire.

The hon. member made another statement as regards which the facts are absolutely against him. He said that the Liberal party was divided on the Duncan report. I characterize that as an absolute falsehood. That is not true. No hon. member should rise in this House and make such statements. A member ought to size up his office honourably from the point of view of his riding, his province and the Dominion. When a man gets up and makes a statement of that kind that he knows to be untrue, that he cannot back up with the facts, he is doing something altogether out of place. The fact is that the Liberal party, when that question comes up in the House, will stand undivided; it will stand united. The hon. member in discussing this question before it comes up in the House, is endeavouring to make political capital out of a matter that deeply concerns the Dominion. I would deprecate that on the part of any hon. member, I care not whether he be on this side or the other, or from one group or another group.

He further stated that there was in the Duncan report a reference to dealing with the tariff. This is the way in which the Duncan report handled the tariff question. The hon. gentleman's statement was altogether out of place. On page 32 of the report there is an item dealing with a trade treaty that was asked for as regards forest products. The Duncan report is not asking anything as regards raising or lowering the tariff on forest products. It asks for a trade treaty to be arranged on those products between the maritime provinces and the states to the south. Our maritime friends know that is true. Further we must remember that that trade treaty will be a sort of reciprocity. My hon. friend opposite belongs to the party that in 1911 went out and defeated reciprocity, lost this country millions of dollars and tore it practically asunder from coast to coast. Yet he has the temerity, the audacity, to get up in parliament this afternoon and tell us that the Duncan report wants the matter dealt with in a tariff way when that report makes no reference to the tariff on those products. It speaks entirely about a commercial treaty which we can negotiate internationally and as regards which we shall get down to rock bottom facts and endeavour to heal the maritime situation as far as possible.

On page 33 as regards the fish trade, the maritime report is asking for a trade treaty between the maritimes and the republic to the south of us. That is practically the same proposition. If we go further we shall see just how foolish the hon. member's statements are. On page 36 we find something about coal, a customs tariff on coal, of which we have heard a great deal in this House. The Duncan report states that the coal question ought to be brought before the tariff board. When it is brought before the tariff board we shall get all the facts; they will investigate the proposition fully and lay the facts before parliament, and we as representatives of the Canadian people will decide on a policy in regard to the question of coal. What is wrong about that? I do not think there is anything wrong. On page 37 we get what the Duncan report says in regard to steel. The statement there is to the effect that the whole question of steel—and that is an important question in Canada and particularly important in the maritimes—in all its fulness should be placed before this commission. We should get the facts in regard to it as well as the facts in regard to coal

and act accordingly. So that as far as the statement of the hon. member with reference to the Duncan report is concerned, that it deals entirely with the raising or the lowering of the tariff on certain materials, the truth is that the report makes no statement. There is to be no raising or lowering of the tariff on coal or steel until there has been investigation. On the other two items, forest products and fish, nothing is said about the tariff; it aims at simply dealing internationally with these difficulties.

My hon. friend admits that throughout Canada the Robb budget has attracted a great deal of attention east and west. The publications in this country, province by province and district by district, have told the people that this is a splendid budget. What are the facts? Will hon. gentlemen tell me that the average publisher of a daily or a weekly newspaper, after reading the budget, sizing it up and analysing the effect of it, will publish in his paper anything that he does not think is true? He wants to place before his readers the facts. If the budget is an encouraging one he will say so, and if it is not encouraging he will state to the contrary. I believe our newspaper publishers, irrespective of politics or irrespective of whether they are weeklies or dailies, take a presentation of this kind and analyse it carefully; after it is analysed they reach certain conclusions, and that is what they have done in this instance. That being the case we have positive proof that the budget is a proper one. It has received a splendid reception from east to west, and the Robb budget of this year is known throughout Canada, as was the one of last year, as a good budget, a budget that will be not only a cementing factor between east and west but a solidifying factor so far as the various provinces of the Dominion are concerned.

My hon. friend says that although there has been tax reduction we are taking more taxes from the people. The fact is that we have reduced taxation, and if we have taken more in taxation from the people it is not because the rates of taxation are higher; in fact they are lower, but we have done more business. It is a question in simple mathematics, and our friends cannot see through it. Last year the provisions of the Robb budget were presented to nine million people; the people went to the polls not long afterward, and we see the result in this House to-day. It is positive proof that so far as the people are concerned they know a good thing when they see it, and they know the 1927 budget is a good thing.

My hon. friend also, dealing with the national debt, states that we have not paid the amount we say we have paid; and he goes into a complicated discussion on the question of public accounting. The public accounts show us that last year we paid $27,000,000 off the national debt. I do not doubt that. We are going to pay off thirty or forty millions this year. Now what have we paid off since confederation? I have the figures here. Our Conservative friends are always anxious to make out that they are wonderful financiers, that they have done the right thing by Canada, and that if returned to office they will do it again. Since confederation the national debt of Canada has been a big question for finance ministers and parties to handle; it has been an even bigger question since the war and is going to be a big question in the future. What were the reductions of the national debt made by the party to which my hon. friend belongs, about which he waxed so eloquent this afternoon when referring to the national debt? In 1871 the Tories were in power and what did they do? They cut the national debt about half a million dollars. In 1882 they cut the national debt one million and three quarters—and at the same time they added ten million dollars to it. In 1912 they were in power and they cut the national debt $125,000. The public accounts show that, and I am taking the public accounts for one party as well as for the other. What is sauce for the goose is sauce for the gander. In 1913 what did they do? They paid $25,000,000 off the national debt. In other words, they have been in power for over thirty years since confederation and all they have paid off the national debt on the whole is $27,000,000. What about the Liberal administrations? In 1900 the Liberals paid off half a million; in 1904 they paid off another half million; in 1903 they paid off $10,000,000; in 1907, $3,250,000; in 1924, $36,000,000; in 1925, $343,000; in 1926, $27,000,000, and in 1927, this year, we expect a payment of $31,000,000. In other words, since confederation the Conservatives, who have been in power longer than we were, paid $27,000,000 off the national debt as compared with a payment by the Liberals of over $100,000,000. There is the record, and I will leave it to anyone to say whether the record of the Conservative party can be characterized as an active one, or whether it should be regarded as "stationary". I would say it was a "stationary" policy and not designed for the benefit of Canada.

The hon. member for West Calgary (Mr. Bennett) suggested that we ought to conscript

the money of the insurance companies and the banks to pay off the national debt. Following that up he made this statement:

I am of course only elaborating a plan that has grown in my mind after some consideration.

We are glad he gave it some consideration.

And it does not follow that the plan is at all sound in detail.

Did hon. members ever hear such a confession before a national House of Commons—a man rising and claiming that he has a splendid scheme for paying off the national debt of Canada, and after he has told us his objective he says it does not follow that the plan is sound in detail! We all know that a plan or a policy that is not sound in detail is absolutely worthless; consequently he might as well have saved his breath, and if that is all he has to offer we had better go on as we are. The cutting down of the national debt is a splendid work for any party or any finance minister, and I believe our hon. Minister of Finance is entitled to the respect and admiration of the House of Commons as well as of all Canada for the introduction of his budget and the determination he has shown in trying to lower this debt from year to year since 1923.

Further, as a Liberal I have absolute confidence in the Prime Minister and in the Minister of Finance that during the next fifteen years—and we are going to be in power that long by the way things are going now—during the next fifteen years if we continue to reduce the national debt at the present rate—and I have faith that our Minister of Finance will enable us to do this—we shall have paid off about six or seven hundred million dollars. Then should our Tory friends get into office—

An hon. MEMBER: No.

Mr. McINTOSH: I do not believe they will, of course; but suppose fate should so decree, we ought to pass legislation to compel them to pay off annually $40,000,000. That is the only way we shall ever be able to get them to reduce the national debt, otherwise they will never pay off a dollar if they can help it. During all their terms of office since 1867 they have paid off only a paltry $27,000,000, they have run the country into debt by billions of dollars, and then they boast that they are great financiers, great Canadians, great imperialists, and that they stand for the old flag, the old empire and a greater Canada.

This budget is a surplus budget. The hon. Minister of Finance shows a surplus of $31,000,000, last year he had a surplus of $33,000,000. That is conclusive proof that he and his colleagues are looking after national affairs pretty well. These recurring surpluses clearly indicate that trade is flourishing and that prudence is being exercised in the conduct of the country's affairs. If a man closes his books at the end of the year with a balance on the wrong side he is drifting towards bankruptcy, and the very fact that when the Minister of Finance closes our books at the end of the year he can show a surplus of $31,000,000 is ample evidence that Canadian trade is developing, that a buoyant spirit is abroad commerically and financially, that crops have been bountiful, that our transportation systems have been busy, that credit is good, that money is cheaper and easier to get, and that Canadians are awakening to the possibilities of imperial and foreign trade.

But, Mr. Speaker, we have not only a surplus budget, we have a favourable balance of trade. One of the great financial apostles of the Tory party in days gone by—it might be well if they had his peer to-day—was Sir Leonard Tilley, Sir John A. Macdonald's Minister of Finance. He was always telling his party: If you cannot show a favourable balance of trade you are no good; you will never get anywhere, you will never impress the people that you can govern the country, and you will not be returned to power for decades. His words are just as true to-day as when he uttered them—and the Tory party believes them, but it will not admit its belief. We have been going on from year to year showing a favourable balance of trade: this year $250,000,000; last year $401,000,000; the year before $284,000,000—an average for the last three years of over $300,000,000 annually. That is another reason why I am glad as a citizen of Canada to stand up in this House to-day and declare that I shall vote against the amendment and for the resolution. I believe this is a popular budget, I believe it is an accurate statement of facts, I believe that the country is satisfied with it, and considering what we have gone through politically during the last two years I believe that the people as a whole will say that the Minister of Finance has presented another outstanding budget that will demonstrate to the world that Canada is on the upgrade, and that in the years to come we are going to make history.

Some hon. members on the opposite side of the House find fault with this budget and ask: Why not reduce the tariff? According to their view the tariff board is an excuse for the government to delay action on the tariff.

An hon. MEMBER: Hear, hear.

Mr. McINTOSH: That is not true. Last year in this House I declared that we should give the tariff board a square deal before we

passed judgment on it. I say the same to-day. Every industry in all Canada that feels it has a grievance must bring that grievance before the board to be thoroughly analysed. Then let the members of this House from all Canada consider the facts on which the tariff board bases its report and act according to their best judgment. Let us do by every industry what in our opinion is honest and right. In that way alone shall we bring about a united Canada enjoying a constantly expanding trade from coast to coast. If we are going to continue our tariff, let it be a tariff fair to all. Do not let the impression go abroad that any industry can at any time go to the Minister of Finance and get the tariff raised or lowered without this House deciding exactly what that raising or lowering shall be. I still have confidence in the tariff board. I say, give it a chance to demonstrate its usefulness. Let the tariff board get busy and deal with every application that comes before it on its merits. Then we in turn will decide what ought to be done for the good of Canada as a whole.

I repeat, Mr. Speaker, that in my estimation this is one of the best budgets ever presented to the country. It will show the world that we have another surplus, that we have reduced our national debt, that public revenues are buoyant, that trade is active, and that our people from coast to coast are piling up big trade returns year by year. That is important from the standpoint of western and eastern Canada. It will be an important factor, a magnet, in bringing the right class of immigrants to this country, and I believe we want population. It is the general feeling throughout the country that we must have more people; we need more men on the land to increase agricultural production. It is the opinion on all sides that what is required is an intelligent colonization and agricultural development policy. We have a great opportunity now to develop the wonderful heritage which is ours, and we should do so rationally, with the interests of the people in view as well as for the benefit of those who are to come.

What about our population? In 1871 we had a population of 3,370,000; in 1900 this had increased to a little over 5,000,000 and in 1921 it was 8,800,000. In other words, we have brought into the country since 1870, 4,500,000 people. Taking the population of 1870 and working out the natural increase at two and a quarter per cent per annum we find, with a total increase of 4,500,000 from abroad that our population in 1921 instead of being about 9,000,000 ought to have been over 16,000,000. For that 4,500,000 people whom we brought into Canada, the government spent $24,000,000 or $6 per head. That seems to me to be rather cheap. Economists tell us that the capital productive value to the state of the average individual is $3,000, and we have brought in over 4,500,000 at $6 a head and have not been able to hold them. The natural increase has not been what it should have been. We have lost many of our people and our problem is twofold: we must first get the people, and in the second place we have to retain them. That is a vital question.

It seems to me that we have a lop-sided development in Canada so far as our population is concerned. The people are rushing off the land into the urban centres and to a large extent they are going to the United States. In 1925, in one month, over 8,000 Canadians crossed the border. That works out at the rate of 100,000 a year. During the last nine months 48,000 Canadians have come back, and with good times and increased prosperity in trade, together with a forward-looking policy on the part of this government, thousands more will return. These people will probably go on the land, and we should do our best to hold them with a view to increasing our agricultural production. In Russia 85 per cent of the people are on the land and 15 per cent in the urban centres; in the United States 72 per cent dwell in the cities and 28 per cent on the land; in Canada in the year 1870 we had 69 per cent of the population on the land. In 1901 our rural population was 63 per cent, but in 1921 it had gone down to 50 per cent. This proves beyond question that we need more people; there is no overproduction on the land. It proves further, as I say, that we have a lop-sided policy which we must rectify, and the problem for Canadians to grapple with to-day is to obtain the right class of people to go on the land, to balance agricultural production with our industrial activities and so bring about that happiness in the rural communities which will make for a unified industrial and agricultural life in Canada. The very basis of this problem lies in arriving at the proper equilibrium or normal balance between the country and the urban population, and with that end in view we should devise a policy whereby we may be able to develop our agricultural areas to their utmost, at the same time maintaining urban development. We have 358,000,000 acres of arable land in Canada. In 1870, 36,000,000 acres were occupied, in 1901, 63,000,000 acres and in 1921, 145,000,000. But what about cultivation? In 1870 we had 10,000,000 acres under cultivation; in 1901, 20,000,000 acres, and in

1921, between 58,000,000 and 60,000,000 acres. So that we have about one-sixth of the arable area of this country under cultivation, and the problem is to develop the rest of it, settling it with the proper class of people who will increase agricultural production. If some satisfactory policy were pursued in this regard, to balance agricultural life with industrial conditions, there would be a greater prosperity in Canada than this country has enjoyed in years.

Now what is the policy of the Liberal party in this regard? This is an important question to my riding of North Battleford. It is important to every member from the province of Saskatchewan or from Alberta or Manitoba. What are the Department of Immigration and the minister doing along that line? I am happy to say that after analysing that policy and procuring the facts relating to the work of the department, I believe the Minister of Immigration (Mr. Forke) is on the right track and is carrying out a policy which will redound to the credit of the Dominion in the years to come. There are across the Atlantic, as well as in the United States, thousands of people who are anxious to come to Canada, and there is, as I have said, a vast extent of arable land awaiting development. The problem is to bring those people to the land, and we have an instrument by means of which that transition can take place, namely, the immigration policy of this government. The department is doing its best to bring farmers who have money to buy land, and its endeavour is to bring into the country agricultural workers to go on the farms and domestics to enter the homes of Canada. That is the policy in a nutshell. Further, the government will see to it that these people get employment and stay on the land. In other words, the policy of the government is not only to help them to get to Canada, but to do its utmost to retain them in this country after they have come. Before the war, an immigrant from Antwerp, say, to any eastern port in Canada could make the passage for $30. After the war, coming from Liverpool, he had to pay from $84.50 to $87.50, and from Antwerp, $112.50. The rates went up and something had to be done to bring them back to a level within the reach of the average immigrant, if we wanted to secure British settlers for our farming areas. The department, therefore, coöperated with the British government under the Empire settlement scheme, with the result that to-day an immigrant coming from the old country to Toronto pays £3.10 and to Winnipeg £4.10 That is the policy of the department, and I would say that it is only necessary to pursue that policy, because I believe we are on the right track. We have made up our minds that we want in Canada those people who will go on the land, develop our agricultural areas and help bring about greater production. We do not want anyone who will not fit into the conditions prevailing here, and I believe that following this course will bring great results during the next few years.

We do not want exactly the same results as we obtained after the Liberals were returned to power in 1896. The immigration movement started in 1904, when the Liberals went at the question in a public-spirited way. They looked upon it as a business proposition, and from 1904 to 1913 thousands of people came to Canada from all parts of the world; the door was practically wide open. We do not stand for that policy entirely to-day; some want the door absolutely closed; some will be satisfied if we never get another immigrant; some want just a certain number, but I understand the policy of the department now is to let into Canada those who will fit into our agricultural conditions and who are willing to dig in and work and help make a greater country. We want those who are clean in body and in mind, who will help develop the country, and I believe that to be the greater policy. In 1913 over 400,000 people came to Canada, although in 1909 it had dropped to 146,000 because of the depression. I believe, however, that following out the present policy of the department and getting all possible publicity from budgets such as the one brought down this year; getting in touch with those who want to leave their native lands and come to Canada, those who are willing to work, and seeing that they will fit into our complicated financial and agricultural structure, will bring a great benefit to Canada.

In Canada we have one mile of railway to every 178 people, while in the United States they have only one mile of railway to every 400 people; in other words, the railway problem in this country is twice as complicated and difficult as in the great republic to our south. What are we to do? We must solve the problem and one way is to get more people into this country so that more goods will be carried into and shipped out of Canada. In that way the railways will do more business and will receive a greater profit. It is estimated that the traffic value of every farmer to the railways is $750. In 1915 an estimate was taken of the three prairie provinces, giving a total grain tonnage of 163,000,000 for 219,000 farmers for eleven months. Dividing one into the other it will be seen that the traffic value of each farmer during that period

was equal to $750. Furthermore, if you capitalize that $750 at five and one-half per cent you will get the capital value of every farmer to the railways of over $13,000, so you can easily see the value of farmers to this country.

Mr. WOODSWORTH: May I ask a question? If the immigrant is worth so much to the railways why should it be necessary for the Dominion government to subsidize the railways to bring immigrants to Canada?

Mr. McINTOSH: The Minister of Immigration (Mr. Forke) tells me there is no subsidization.

Mr. WOODSWORTH: As I understand it, a certain grant is made for certain classes of immigrants; that is, a lower fare is granted, which is equivalent to a subsidy to the railways.

Mr. McINTOSH: The railways are supposed to pay that difference, as I understand it. There is coöperation between the government, the department, the railway companies and the British government.

Mr. FORKE: The railways pay £4 of it.

Mr. McINTOSH: The railways would appear to be doing their share.

Mr. WOODSWORTH: But my objection still stands; the effect is to assist the railways to bring in these immigrants, and my point is that if the immigrant is worth so much to the railways why should we go out of our way to assist the railways to lower their rates to bring immigrants here?

Mr. McINTOSH: I think the railways are assisting us; it is a straight business proposition and they are coöperating with us and with the British government in order to get more men on the land. In Canada we have the land and in Great Britain they have the men, and the proposition is to bring the two together for the good of both countries.

I did not intend to speak so long, Mr. Speaker, but in closing I would like to repeat that I think this budget is important to every riding in Canada, and for the life of me I cannot see why there should be much opposition to it in the House. I know that the budget is already popular in my riding; I am satisfied it is popular all over Saskatchewan; I know it is popular in Manitoba and I am sure that the rank and file of the people of Alberta will accept it if they are given the facts in a clear and straightforward manner. I believe this budget is popular across the mountains as well as in Ontario and throughout the east, and for that reason I feel that it will have a unifying effect in bringing about a greater nation. I am going to support it not only as a representative of my own riding but because I am a western member and because of the fact that not only am I supposed to do my best for my own riding in this House but I am supposed to consider the interests of Canada, and I think this budget will link the sections of this country into a more splendid and united whole. I believe it will be a factor in bringing to Canada the people we want and in making our agricultural and colonization policy more successful than ever. For these reasons and many others, Mr. Speaker, I intend to support the resolution of the Minister of Finance.

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

PRIVATE BILLS

PATENTS OWNED BY ALBERT P. FRIGON

The House in committee on Bill No. 42, respecting certain patents owned by Albert P. Frigon—Mr. Mercier (St. Henri)—Mr. Johnston in the chair.

On section 1—Term of duration extended.

Mr. GUTHRIE: Is there anybody here promoting the bill who can explain it to us?

Mr. MARCIL: In the absence of the member who is sponsor for the bill, I notice there is only one clause which permits the term of duration extended. The bill has been reported by the private bills committee with one amendment.

Sir GEORGE PERLEY: What is the amendment.

The CHAIRMAN: The amendment is clause 2, which reads as follows:

If any person has, since the thirty-first day of May, one thousand nine hundred and twenty-two or before the seventh day of November, one thousand nine hundred and twenty-six, commenced to construct, manufacture, use or sell in Canada the inventions covered by the said letters patent, such person may continue to construct, manufacture, use or sell such inventions in as full and ample manner as if this act had not been passed.

Mr. MARCIL: I think that provision protects the rights of parties who may be affected by this legislation.

Mr. ROBB: I am not sure whether this bill has been examined by the Commissioner of Patents. It seems to me that on general principles we should be very careful in granting patents of this kind which might add materially to the cost of construction in Canada. I think it would be well before proceeding further to have a report from the Commissioner of Patents.

Mr. GUTHRIE: Seeing that the promoter of the bill is not here, let it stand until the next sitting.

The CHAIRMAN: Shall I report progress on the bill?

Mr. MacLAREN: I think the committee will find there is a clause in the bill which safeguards anyone who has made any preparation for carrying on work with which the bill may interfere. The private bills committee went into this matter very carefully.

Mr. ADSHEAD: The bill has been considerably changed from the form in which it was introduced. I do not know, Mr. Chairman, that the bill as you have it there is the bill as it was amended. How are we to judge of what the bill contains if it is not before us in an amended form? The bill was to be reprinted and submitted to the House as amended. We do not happen to have it.

The CHAIRMAN: The Minister of Finance suggests that we report progress on the bill. Does that commend itself to the committee?

Sir GEORGE PERLEY: I think we ought to have a report from the Commissioner of Patents, as the Minister of Finance has suggested.

Mr. MacLAREN: Mr. Chairman, have you the amended bill, and if so will you read the amendment?

The CHAIRMAN: I have already read the amendment.

Mr. ADSHEAD: I am a new member of the House and I am not objecting on frivolous grounds. But is it the custom of the House to proceed with an amended bill when it has not been distributed to the members? I think the committee should have the bill before it in its amended form.

Mr. RYCKMAN: I support the suggestion of the Minister of Finance. In the preamble of this bill there is a long recital which gives to the patentee a valid patent on reinforced concrete beams. This is a peculiar bill in that there is so much predicated in the preamble. It would not hurt at all if the bill stood over until we had a report from the Commissioner of Patents, and if the commissioner reports in favour of the bill I shall be very glad to facilitate its passage through the House.

Mr. BROWN: In the committee the preamble was amended more than any other part of the bill, and I think the hon. gentleman has made the same mistake as most of us made in the committee, in supposing that the patent referred to steel and concrete beams. From the explanation that was given to us, it would seem that that is not the case, but that this is a special machine made in Switzerland, and imported into Canada, and designed for the manufacture of steel and concrete beams.

Mr. RYCKMAN: That is all the more reason why the bill should stand.

Mr. BROWN: In my judgment it is a matter that should not be dealt with hurriedly. We did give the bill a great deal of consideration in the committee, and it passed through the committee by a considerable majority, although there was some questioning in the minds of many of the members whether a bill of this nature was sound in principle. While I would not like myself to offer any particular objection to the passing of the bill, I agree that it is one that should be considered very carefully.

Mr. MARCIL: Was the Commissioner of Patents or his representative heard before the committee?

Mr. BROWN: A representative of the patent office appeared before the committee, and while he did not express any opinion as to the merits, he stated clearly to us the general custom of the patent office.

Mr. ADSHEAD: How does the hon. member know that the bill now before us is the same as the bill as it came amended from the committee?

Mr. BROWN: I think the objection is well taken. There should be a reprint of the bill before us because the amendments made in the committee were very important.

Mr. PETTIT: I was present at the meeting of the committee, and I may say that all the words after the words "Canadian patents" down to the word "numbered" in line 17 were deleted and the term was fixed at December 31, 1936. The amendment was very thoroughly discussed in the committee and unanimously agreed upon.

Mr. GUTHRIE: But when a minister requests that a bill stand until he shall have consulted the officers of the department, I do not think we have ever refused such a request.

Mr. ROBB: In the absence of the Minister of Trade and Commerce, who administers the Copyright branch, I think it would be well to let the matter stand.

Progress reported.

CONSIDERED IN COMMITTEE—THIRD READINGS

Bill No. 4, for the relief of Alice Victoria McGibbon.—Mr. Garland (Carleton).

Bill No. 5, for the relief of John Jones.—Mr. Church.

Bill No. 6, for the relief of Samuel Paveling.—Mr. Edwards (Ottawa).

Bill No. 7, for the relief of Benjamin Rapp.—Mr. Anderson (Toronto).

Bill No. 8, for the relief of Bernard Thomas Graham.—Mr. Anderson (Toronto).

Bill No. 9, for the relief of Robert Edward Greig.—Mr. Anderson (Toronto).

Bill No. 10, for the relief of Daisie Hawkey.—Mr. Speakman.

Bill No. 11, for the relief of Olive Mary Mead.—Mr. Garland (Carleton).

Bill No. 12, for the relief of Alice Elizabeth Blakely.—Mr. Geary.

Bill No. 13, for the relief of Ethel Maud Hargraft.—Mr. Young (Toronto).

Bill No. 14, for the relief of Frédéric Vinet.—Mr. Geary.

Bill No. 15, for the relief of Gwendolen McLachlin.—Mr. McPhee.

Bill No. 16, for the relief of Jessie Evis.—Mr. Arthurs.

Bill No. 17, for the relief of Max Gertler.—Mr. Casselman.

Bill No. 18, for the relief of Florence May Hicks.—Mr. Anderson (Toronto).

Bill No. 19, for the relief of Ruth May Harrington.—Mr. Edwards (Waterloo).

Bill No. 20, for the relief of Edith Maude Bull.—Mr. Kaiser.

Bill No. 21, for the relief of Joseph Bernard Hoodless.—Mr. Garland (Carleton).

Bill No. 22, for the relief of Edward Barker.—Mr. Ross (Kingston).

Bill No. 23, for the relief of Joan Henderson.—Mr. Ladner.

Bill No. 24, for the relief of Vina Kennedy (otherwise known as Vina Dorothy Kennedy).—Mr. Matthews (Toronto).

Bill No. 25, for the relief of Aimée Glenholme Young.—Mr. Matthews (Toronto).

Bill No. 26, for the relief of Alberta Lutz.—Mr. Rennie.

Bill No. 27, for the relief of George Frederick Adams.—Mr. Anderson (Toronto).

Bill No. 28, for the relief of Edward Saville.—Mr. Anderson (Toronto).

Bill No. 29, for the relief of Robert Fisher.—Mr. Jacobs.

Bill No. 30, for the relief of Dorothy Terry.—Mr. Casselman.

Bill No. 31, for the relief of Lillie May Brown Nichols.—Mr. Garland (Carleton).

Bill No. 32, for the relief of Hazel Pearle Clarke Pearcy.—Mr. Garland (Carleton).

Bill No. 33, for the relief of Edith Swartz.—Mr. Hocken.

Bill No. 34, for the relief of James Gibb Erskine.—Mr. Garland (Carleton).

Bill No. 35, for the relief of Ernest Johnson.—Mr. Garland (Carleton).

Bill No. 36, for the relief of Maxime Demers.—Mr. Garland (Carleton).

Bill No. 37, for the relief of Ethel Clementina Craig-Williams.—Mr. Lennox.

Bill No. 38, for the relief of Ida Lula Dupuis Murchison.—Mr. Garland (Carleton).

Bill No. 39, for the relief of Gladys Andrea Boyle.—Mr. Young (Toronto Northeast).

Bill No. 40, for the relief of Leslie Ellis Noble.—Mr. Garland (Carleton).

Bills reported.

On the motion for third readings:

Mr. SPEAKER: In order to save time, if the House does not object I will give simply the numbers of these bills. They are: Bills Nos. 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40.

Mr. MARCIL: When first I came to this House none of these bills was ever passed except on division for the reason that a minority of the members did not favour them. Bills of this nature have been becoming gradually more numerous until we find at the present time some sixty on one order paper. I think we should return to the practice which obtained for many years after confederation and register the fact that they are allowed to go through on division. I ask that in this case this proviso be inserted in the proceedings.

Motion agreed to, on division, and bills read the third time, and passed.

COLUMBIA LIFE ASSURANCE COMPANY

House in committee on Bill No. 41 to incorporate the Columbia Life Assurance Company (as amended)—Mr. Stevens—Mr. Johnston in the chair.

Sir GEORGE PERLEY: Mr. Chairman, what are the amendments?

The CHAIRMAN: Clause 5 has been deleted, and in clause 9 the words "except as herein otherwise provided for" have been struck out.

Mr. GARDINER: And clause 3 was amended by deleting "two" and substituting "one" therefor.

Mr. STEVENS: That is right.

Sections 1 to 4 and 6 to 8 agreed to.

On section 9—1917, c.29 to apply.

Mr. GARDINER: As amended, Mr. Chairman.

Mr. STEVENS: With the amendments.

Mr. HEAPS: Is anything in this bill contrary to the law of the province of British Columbia, where evidently the head office is to be located?

Mr. STEVENS: Certainly not. The bill of course is under the provisions of the federal Insurance Act in all respects.

Section agreed to.

Bill reported, read the third time and passed.

MONTREAL, OTTAWA AND GEORGIAN BAY CANAL COMPANY

Mr. E. R. E. CHEVRIER (Ottawa) moved the second reading of Bill No. 78 respecting the Montreal, Ottawa and Georgian Bay Company.

Mr. GUTHRIE: I would ask the promoter of this bill to let it stand. It is only a few minutes now before the time for discussion of private bills expires and there are some members on this side who would like to discuss the bill.

Mr. CHEVRIER: I should like to oblige the hon. member although of course, Mr. Speaker, I am entirely in your hands. I admit that there are quite a number of members on both sides of the House who would like to take part in the discussion of the bill, but I submit that the proper place for the discussion would be in the railway committee to which the bill would be referred after its second reading here. No harm could result. The discussion would take place there as freely as in this committee, and as I have observed on both sides of the House a desire to expedite the business of the session I think considerable time would be saved if my hon. friend would allow the second reading.

[Mr. Marcil.]

Sir GEORGE PERLEY: I know it is not customary to speak at any length on private bills, but this is one occasion on which I certainly think we should discuss the principle of the measure before us. If we pass the second reading of the bill the House will be virtually assenting to the principle involved. It is true the bill will be referred to the committee on railways and canals, where its details will be discussed, and will then come back to this House for further consideration in our own committee. But, I repeat, the second reading of the bill is tantamount to an approval of its principle.

The project of a canal on the Ottawa and French rivers has been before the public for many years, the original bill for the canal having been passed in the year 1894, long before any of us were members of the House. One of the first things that came up for discussion in the House after I had the honour of becoming one of its members was this same Georgian Bay canal bill. At that time the whole of the Ottawa valley was very much interested in the project, from which we hoped many things. Many elections, if they were not run solely on the question of the Georgian Bay canal, had at any rate a substantial relation to it; the subject was a factor in all of the elections in this Ottawa valley during a number of years. We all hoped and expected that the canal would be built. What has happened, however? The charter has been renewed fourteen times. The matter has been on the statute books since 1894, some thirty-two years, and so far nothing practical has been done.

I want it distinctly understood that I am not in any way opposed to the building of this canal, if those who are behind it actually want to build the canal and are not asking for a renewal of the charter for any other purpose. I do not think we need this canal as much as it was needed years ago, because in the meantime we have enlarged the Welland canal and some day we may enlarge the St. Lawrence canal. While years ago we felt that this would be a new outlet for grain from the northwest, vessels now carrying grain on the great lakes have become so much larger and the depth of water provided by the Welland canal so much greater that as a practical matter it does not seem to me that this Georgian bay canal is quite as essential as formerly. At the same time, if any body of gentlemen are willing to put up their money for this canal I would not suggest that they be not allowed to do so, and I am quite sure no member of this House would not be happy to have this canal built for the benefit

of the interior navigation of this country in bringing grain from the northwest and also in distributing the various products of the Ottawa valley. This is a rich valley and its resources have hardly been scratched as yet; not only is there timber and pulpwood, but minerals are being discovered continually, and it is possible that the Georgian bay canal might pay. So if any gentlemen wish to build it I have no objection whatever.

With regard to the promoters of this bill, I notice that in the copy on my file no promoters are mentioned, so I take it that the promoters are those named in the last renewal. My memory takes me back to the time when McLeod Stewart, who was a valued citizen of Ottawa, took up this idea with enthusiasm and tried to interest people in it. He did not have sufficient means to undertake the enterprise, and after some years Sir Robert Perks took up the matter. He was and still is a prominent English contractor who had built large works in various parts of the world and had made a success of his business, and a prominent man in the commercial life of London whom I often met when I had the honour of representing Canada there. Sir Robert Perks and his associates took hold of this charter and had it renewed, then employed a staff of engineers to make plans for the canal. I am not sure that they carried those plans all the way through, but certain sections of the Ottawa river were plotted out by a small staff engaged for that purpose. Then what happened? The money was not forthcoming, and they could not build the canal. They came to this House asking for a renewal of the charter time and time again; in fact this charter has become a hardy perennial. I think Sir Robert Perks came to Ottawa every year in those days to interview first Sir Wilfrid Laurier during his years of office and then Sir Robert Borden, and his energetic endeavours were only interrupted by the war. He wanted the Dominion government to guarantee the bonds of this canal, arguing that this was really a public work for the public advantage, and that therefore the Dominion government should guarantee the bonds of the company. The promoters claimed that if the government did that they would never have to pay a cent because the revenues would be sufficient to pay the cost of operation and also to cover the interest on the bonds issued.

My reason for stating these facts is that even Sir Robert Perks, who was known in London as the head of a powerful group of financiers and who had built with his associates large works in various parts of the world, did not find himself in a position to provide the money necessary to build this canal without a government guarantee. If that was the case with this powerful group of financiers in England, in the first place I would like to know where the money is to come from to build this canal now, because it is going to cost twice as much as it would have then cost. That is the first question I would like to bring forward for the consideration of the House, but it is by no means my main reason for bringing up these matters on the second reading of this bill. This is not a party question in any sense of the word, but we have three or more groups in this House and if a few businesslike words from me on the question of this renewal would enable those members from different parts of Canada to give careful consideration to this whole question, when the matter comes up in committee I will try my best to impart that information.

Now, Mr. Speaker, I have to go into the matter of water power in connection with this bill and I would therefore call your attention to the fact that it is 9 o'clock. I would like to continue, however, when the matter comes up again.

THE BUDGET

CONTINUATION OF DEBATE ON THE ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed the debate on the motion of Hon. J .A. Robb (Minister of Finance) that Mr. Speaker do now leave the chair for the House to go into committee of ways and means, and the proposed amendment thereto of Mr. Coote.

Mr. JOHN EVANS (Rosetown): Mr. Speaker, the budget has each year come to be looked upon as a register of progress, or otherwise, regarding trade. It is also an indication of the policy of the government, and looking at it from this standpoint the government has evidently been careful in the present budget about one thing only. Its one concern has been for the payment of dividends on capital investments, rather than for easing the burden of the high cost of living on the worker of the nation.

In this connection I wish to say a word regarding a statement made by the hon. member for Vancouver Centre (Mr. Stevens) this afternoon. He says that the policy he stands for would maintain the very highest standard of living possible. But he would put the whole burden of the high cost of living and the decent standard of living on the

primary producer of the nation who is already a national drudge; and I am wondering why the farmer who engages in the basic industry of this country has not received more attention in this House during the last few years, and why every other industry in the country is placed as a burden upon the basic industry of the Dominion.

But to follow the argument of the hon. member for Vancouver Centre a little further, not only is he inconsistent in his social ideas, but he is altogether astray economically. He said we need protection in Canada against England because their eight dollar a week wage is equal to a 27½ per cent protection which we have to get in Canada. Because of the lower wage the Canadian manufacturer is placed at a disadvantage, regarding woollens particularly. But when it comes to the case of copper produced in this Dominion the hon. gentleman says this goes to the United States to be worked up, and we buy it back again. It goes to the United States where wages are still higher than they are in Canada, and then we buy it back again for our own use. Well, why does not the same rule work in both cases? If the United Kingdom places Canada at a disadvantage in the case of woollens, how is it that in the case of copper going to the United States we cannot more economically work up our own natural products than the United States can, seeing that we pay a lower wage? But this is only one of the inconsistencies of the Tory mind, of the protectionist mind, and I have yet to hear of a logical argument being advanced in this House in support of the system of protection.

Now what is the reason for this? It is due to one or two causes. Either a want of confidence by the investors in our own country, or else a lack of enterprise on the part of our industrialists. I think myself it is a lack of enterprise, because it is only natural to think that enterprise in Canada is being destroyed year after year by reason of the fact that our industry has rested upon the politicians. I think that is a logical conclusion. Now the government is easing the burden of taxation on the man who amasses wealth by investments while the taxes on consumption have remained stable, with the exception of, say, matches. The main burden of the taxation in this country is the tariff, which is left in such a way that the workingman and primary producer must pay, while those who own and direct our industries set their prices as heretofore, and any part of the tariff which they nominally pay is always passed on to the worker, to the primary producer, and applied to what he is compelled to buy in the home market through the system of import penalties. I think it is a pity that the government has seen fit at this stage to recede from the principle of direct taxation to a more indirect method of taxation. The cost of living to the worker is to be kept up, while the amassing of wealth by the already rich is given another boost, because the worker is penalized if he imports, whilst taxation has been lowered at least ten per cent on the income of the rich.

Well, the Liberal government has again proclaimed itself in this budget as being in league with urban and capitalistic interests. Undoubtedly the country has had a prosperous year, but Canadian prosperity always depends on the primary production—chiefly of agricultural products—in fact the yearly development of this Dominion, the credit of the nation, its welfare in every way, is measured by agricultural production. Seeing that this is the case, one would have thought that the government would slacken on class privilege and make the basic industry more stable by setting the agriculturists free of combine exploitation. In the last election campaign a flood of literature went out from the Liberal side, in answer to the Conservative plea for higher import penalties, which led the people to expect some measure of freer trade on the part of this parliament. But the people are still left in bondage and their earnings are pilfered by the price-fixing power maintained by the government, and the opposition as well, for those who control capital investments, public utilities, urban industries, and politics.

They say the country is prosperous. The budget itself is one grand ring of triumph while the base of the prosperity of which it boasts is crumbling. Our farming population are in a more precarious state to-day than they were a year ago, and this is bound to continue under the present system. What evidence have we got to show that such is the case? Much as the farmer is looked upon as the national drudge, a mossback, or a hayseed, there comes a point beyond which you cannot load even the most willing beast of burden; and I have only to quote from one of the government reports, the live stock report, to prove what I am saying. The situation in regard to live stock is most serious. It is one that should cause alarm, not only to the government, but also to the opposition. We find from that report that in 1926 we moved to the public markets of the Dominion nearly 100,000 head less of stock than we did in 1925. Just let your imagination run upon what 100,000 head of stock

means. Not only that; there is a worse feature catalogued in that report. The farmer during 1926 marketed 27,300 head of calves more than he did in 1925. I am sure the Minister of Agriculture (Mr. Motherwell) will appreciate the significance of that statement, and it is a fact for us to consider just now. This is something which is destroying the very basis of prosperity in this country. Why, it has come to the point when nothing is worth while doing well on the farm, and things are going from bad to worse. The cost of raising stock has got too high, on account of the high cost of living, and because through the laws of this country the manufacturing and distributing combines have arrogated to themselves the right to fix prices out of line entirely with world's prices. This is surely a simple economic law: Canada being an export country, even the manufacturer and the farmer depend on exports for the income of this Dominion. Then surely, to keep down the cost of living so as to come into line with world's prices is a necessary essential to our welfare.

Add to the facts already mentioned with regard to live stock the further fact that this report is emphatic in declaring that in 1926 it did not pay to finish stock as it used to, and consequently a number of inferior animals, inferior in grade and finish, passed on to the butchers of the country. I think this bespeaks a very serious situation, and when our protectionist friends have their eyes on immediate and large profits from industry, they must consider that the very basis of prosperity in this country is being destroyed in that way. It is a serious situation, and it was entirely overlooked by the government when this budget was under consideration. No relief from the price-fixing power of these combines has been given to the primary producer, and the cost of production has not been lowered. If it had, the future stability of the basic industry, and consequently the welfare of the Dominion, would have been ensured. Instead, the government relieves the rich man of ten per cent of his taxation as a regular thing, and places the worker and the primary producer under a proportionately heavier burden of taxation on the necessaries of life.

I want to say a word regarding a statement that was made yesterday by the hon. member for Toronto West Centre (Mr. Hocken), whose speech, as well as that of the hon. member for Muskoka-Ontario (Mr. McGibbon) I classify as unadulterated callousness regarding the rights of others. The Minister of Railways (Mr. Dunning), too, speaking last night for the government, excused their action in this matter by practically using the same argument as the other two members I have just mentioned. Their plea for lowering the income tax is that the farmer evades paying it. Nothing is further from the truth, and I challenge anyone to prove otherwise; in fact, I think that the farmers of this country would welcome an investigation to-day regarding this matter. I say it is impossible for the farmer to evade it, at all events any more than any one engaged in any other line of business can evade it, and I think anyone who knows the form on which the return has to be made each year will appreciate that. There is no business in the country in which sales can be more easily checked up than the farmer's business. No. What, then, is the real reason why they want to abolish the income tax? I say that the real reason for the attack on the income tax is pure, plain greed. The manufacturer and the distributor who pass on all their taxes to the primary producer want the income tax abolished for one reason, and that is they do not want to show their undue profits each year. There is no other reason for it. The income tax is the fairest means of raising the revenue that we have ever had in this Dominion. Only a few years ago certain companies settled their income tax by giving to the government promissory notes, which have never been collected, and never will be. The hollowness of the whole argument is seen in the fact that privilege is dispensed regularly from this chamber in every possible form, and it is done at the people's expense. The tariff is not the only thing.

The Minister of Finance has also made a reduction of 25 per cent in the sales tax on matches. This again will place some tens of thousands of dollars in the pockets of the manufacturer. That 25 per cent will never be passed on to the consumer. In my opinion it was never meant to be; in fact, I do not think anyone was grumbling about the price of matches at all, and I do not think anybody in this country will thank the Minister of Finance for taking off that 25 per cent. I believe that too many matches are used anyway. I was going to qualify that statement by saying that people to-day are carrying around too many loose matches. About three-fifths of the farm fires in this Dominion are due to the careless handling of matches, and I am hoping to see the day, and that in the near future, when none but the safety kind of matches will be used. We are burning up too much of our property each year.

Mr. CHAPLIN: We shall have to go back to flints.

Mr. EVANS: I had hoped, as time went on, with the splendid opportunity that this government had of restoring its party to principle, that a greater proportion of taxes would each year be collected by the direct method; but the primary producer is still to be the beast of burden and the whole farm is to be directed from Ottawa.

I do not think I would have spoken on the budget to-night, but for one or two reasons. I want to voice my surprise and indignation that both in the budget speech and in the reply of the hon. member for West Calgary (Mr. Bennett) there is the boasted prosperity of the city and urban industries, while the great basic industry, agriculture, is simply bankrupt. I am mortified at the contempt with which the agriculturist of the Dominion is treated year after year. It is true there is some $380,000 increase in the estimates for agriculture this year. What will that be for? To create some white collar jobs and to duplicate the work of the provinces in research and so on. It will go for the winter fair in Toronto too.

Mr. MOTHERWELL: The vote is not increased.

Mr. EVANS: But as to the man on the land, who finds the price of his product against the competition of all the world, there is nothing in this budget for him. Nothing is done to bring the cost of production in line with world's prices. I want to say to-day that manufacturing in Canada as it is carried on under a system of protection is a national canker which is eating at the vitals of true industry. It cannot either supply the home market or manufacture for export except as it leans on the politician. Politics is a screaming farce, behind which the legalized robbery is carried on. John Charlton, a member of this House a good many years ago, speaking in this chamber on March 18, 1879, said:

> I venture to say. . . that these monopolies which the government is now aiding to build up will not be easily removed.

He went further and said:

> It will perhaps take more than one verdict of the people of this country to unloosen that grip which will fasten on them with a death-like tenacity.

And now, after nearly fifty years have passed, the government in the presentation of this budget has thrown out a distinct challenge to the primary producers of this country and to everybody who has still left a little sense of liberty and justice.

Mr. GARLAND (Bow River): Hear, hear.

[Mr. Chaplin.]

Mr. EVANS: The Minister of Railways (Mr. Dunning) surprised me last night.

Mr. GARLAND (Bow River): Surprised me too.

Mr. EVANS: It is not many years since I sat with the Minister of Railways on the board of the Grain Growers' Association of Saskatchewan. He and I together, and others helped to draft that clause in the Canadian Council of Agriculture platform calling for freer trade, demanding an increase in the British preference to bring about complete free trade with England in five years. What now? I want to say to this House that besides the economic feature of this question there is also another side to it, the moral side, and I want to quote no less an authority than George Brown, who many years ago founded the Toronto Globe. He used these words:

> If a public man avows certain principles, agitates those principles and seeks to establish those principles and when he attains power laughs at his professions and casts his principles to the winds, he is aiming a blow at political morality.

The Minister of Railways made an authoritative statement last night as coming from the government. They are going to work for free trade, but they are going to do it in a cautious way. He made exactly the same statement last night that Sir Wilfrid Laurier made in 1896. They proceeded cautiously. By 1904 the Liberal government had succeeded so far that they placed soft soap and false teeth on the free list.

Mr. CHAPLIN: And last year they put angostura bitters on the free list.

Mr. EVANS: And the same year they placed on the statute book of this country what is known as the anti-dumping act, the most diabolical legislation that had hitherto been thought of in any country. We were the first to enact that law. Canada has led the way in special privilege. She is still leading it, and I say this: that even in the United States alongside of us, with her high tariff, a country we are exhorted by a part of this House to emulate or to attain to the same privileged position, their people are not burdened by class privilege to-day as much as the worker and primary producer in Canada is. I hope that western Canada at least will take particular notice of the retrograde step the government has taken this year. Because of the reform which was foreshadowed in the fatal session of last year, and the promises of the Liberal government, only one protectionist was elected in the three prairie provinces, a fact that the government has treated

entirely with contempt. Then, as if it were not enough to maintain the duties on the necessaries of life at the old rate, an order in council was passed on the 25th of November, 1926, which legalized the application of 47a of the Customs Act, which allowed a valuation on certain natural products in keeping with the seasonal and the regional importation, at the instigation of the fruit and vegetable dealers. The Minister of Railways (Mr. Dunning) last night did not know anything about 47a. I wonder who passed this order in council. It was placed on the statute book on June 22, 1922, during the first session that the Liberal party came into power after the war. Even the leader of the opposition at that time was startled by it; protectionist as he was, he was shocked.

Mr. CHAPLIN: Protection gone mad.

Mr. EVANS: Let me quote his words. He said:

> I do not know whether this is fully understood or not by the hon. gentlemen to my left,—

meaning the Progressives.

> —but I admit that it is fully understood by me. This provision is protection personified. This is the last emanation from the government that denounced protection two or three days ago. For purposes of valuation the minister can fix the value where he likes, and any basis he likes, on any principle he likes, to suit any interest he likes, as low as he likes, as high as he likes, and when he likes. In a word, this simply puts into the power of the minister the whole elevation of the tariff of this country.

An hon. MEMBER: Whom are you quoting?

Mr. EVANS: The Right Hon. Arthur Meighen, speaking in this House on the sight of June 22, 1922. It is more than likely that 47a is applied according to the wishes of the Canadian packers and the needs of political parties. In fact I have looked on 47a during all these years as simply an advertisement for tenders. I say to you gentlemen of the House of Commons to-night that otherwise it is not conceivable that the duty would be increased by a false valuation on these natural products to as high as 156⅔ per cent as was the case this past summer.

Miss MACPHAIL: Adequate protection!

Mr. EVANS: The duty on a carload of tomatoes was raised from $150 to $385 by a false valuation. As I have said before in this House, I cannot understand even a protectionist trading on the rights of the consumers of Canada in this way without some consideration. I cannot. I have always spoken frankly on this question, and I cannot look on this in any other way. An increase of 156⅔ per cent by a false valuation! Just consider what it means on an article of diet that ought to be on everybody's table all the year around if possible. And there was no indication at the time that fruit was being dumped in Canada from the United States. No one could say there was. No evidence has ever been adduced to show that there was any dumping of fruit or vegetables at that time..

When the member for Weyburn (Mr. Young) was speaking a couple of days ago he informed the House that he took some trouble to get evidence regarding dumping, and went from one department to another. He is still minus the evidence. I knew he could not get it, I had been on the same rounds before. I say to-night, it is strange that even a protectionist would want to increase the cost of living to the worker in this way, seeing that it must inevitably entail a demand for higher wages. Why has it been done so long? Because the whole burden has been passed on to the farmers of this country, who are now bankrupt.

One of the chief arguments for protection is the necessity of preserving a high standard of living. But in this budget the government has retained all the taxes on the necessaries of life. Surely when the drop in revenue has been used to make the rich richer, we cannot be deceived as to the policy of import penalties and the purpose of those who control industry and politics throughout the Dominion. This 47a is one of the most pernicious pieces of legislation that has ever been enacted. I assert, Sir, that it is nothing but fraud and graft and intrigue and injustice. Yes, it was first invoked when two elections were called within one year. What does it mean?

There is another feature regarding this dumping clause. I say it is particularly annoying at this time when we are sending the Hon. Vincent Massey to Washington to bring about better trade relations with the United States. Especially is that better feeling desirable by reason of the live stock condition all over Canada to-day. But the Minister of Customs has seen fit to pin-prick Uncle Sam in this way, and thus he has forestalled for many years to come any good that we may expect from the Hon. Vincent Massey's ambassadorship.

I have said that manufacturing, as it is carried on in this country to-day, is a canker on our national progress, and I am wondering how long that part of the population engaged

in primary production will see fit to pay tribute to a privileged class to concentrate the earnings of the workers and create an aristocracy in our cities. Manufacture is a canker for the reason that the manufacturing class admit that a protective tariff is needed to keep out foreign competition. This tariff is maintained chiefly for two reasons: The manufacturer must have the privilege of naming the price to the home consumer; and that price must be high enough to ensure a profit on the whole of his output, both domestic and export. And the tariff is being used for that purpose. Is it any wonder, then, that the farmers of this country at last are in rebellion against such a system? I have said before in this House, and it will not do any harm to repeat it, that the farmer is exploited on the finished products from the very farm itself. For example, the very grade of flour that we are buying to-day in Saskatoon, where the wheat is hauled into the hoppers of the big mills, and no tariff or freight rates are involved, is dearer by 20 to 30 cents for a 98-pound sack than it is on the other side of the Atlantic. That is what protection is doing for us.

Mr. SPENCER: On the same flour?

Mr. EVANS: On the same flour, yes. They tell us that it is not the same quality. I know that they do not ship poor flour to Britain; Britain gets the best flour that can be procured in the world. They cannot sell poor stuff there.

Mr. YOUNG (Saskatoon): Nor in Saskatoon either.

Mr. EVANS: Perhaps not. Our manufacturers to-day will sell against all competitors in foreign markets the very goods for which they charge us so much higher prices, and the fallacy of protection was never better illustrated than it is in the fact that goods made in Canada are sold cheaper in the markets of the world than they are at home. When the Minister of Trade and Commerce (Mr. Malcolm) was speaking the other day, he undertook to contradict what he considered a wrong impression. He referred to a list of goods quoted, I think, by the Minister of Finance (Mr. Robb) at page 393 of Hansard. These things coming into Canada "for further manufacture" and on which no duty is paid represented a total value last year of $224,000,000. I want to point out in this connection what constitutes a real injustice. All raw material for manufacture, of the same nature produced on the farms of Canada, comes into this country free of duty. Not only have we to meet the competition of the world's markets in the sale of hides, but on the finished article, harness, boots, shoes and so forth, and all manufactures of leather, the farmer must pay an enhanced price because of the import penalty on these goods amounting in some cases to over one-third of their value. Wool, for example, is on the free list for manufacturers' use; but the primary producer, who has no protection for himself on anything he produces, pays at least 35 per cent of a duty in the way of enhanced price because of the import penalty on all woollen clothing. The same is true of other articles. Rubber, for instance, is free for the manufacturer. I have a list of such goods here, but I will not take the trouble of reading it to the House. All these things come in free for the manufacturers' use, and we do not get any advantage in the way of reduced prices. We are charged, I repeat, an enhanced price as a result of the penalty imposed on the imports.

It is impossible for things to go on much longer in this way. Under this system of class privilege in the United States agriculture has been reduced to a state of bankruptcy, and both here and across the border the one great problem for the agriculturist to-day is how to free himself from the compact that exists between the politicians and the manufacturers and distributors. This compact is responsible for the present impoverished condition of the maritime provinces, which must shortly be dealt with. Unless, therefore, the trade policy of the Dominion is rectified, no relief given in a direct way to those provinces will make them any better off than they are now. A feature of this system which is worthy of notice at this time, seeing that the maritimes are before us for redress, is that the concentration of wealth and industry is regional. Our problems and our grievances are regional. The density of population is a problem to-day in our cities, and the concentration of wealth and industry has eliminated the man whose capital is a little money and plenty of brawn and muscle. This type of man is reduced to the position of a wage earner. That is why I say that enterprise is being destroyed under the present system.

The hon. member for Fort William (Mr. Manion), speaking the other day, cited the fact that we have already invested in life insurance $4,500,000,000; and he mentioned this to show how prosperous we are. I say that this is no sign of prosperity. It is simply the result of the concentration of wealth and industry. When the man in a small way is forced out of his little business and becomes a wage earner, all he cares to do is to keep up a life policy, thereby further forging the

fetters in which he is labouring at present—the concentration of wealth and industry. Even life insurance to-day has become an evil in this way, and I want to warn the workers, who are using their earnings to concentrate wealth thus, that there will come a point where even this will be unsafe. Why? Because the base on which privilege to-day rests is giving way. The primary producer, who has to bring in most of the income of the nation, by marketing his products in competition with the rest of the world is facing ruin. Our capitalists to-day are seeking investments in foreign countries. Their surplus profits are going abroad instead of being kept at home to develop our own natural resources and to provide work for our own workmen.

One great sign of the times is seen in the fact that one of our leading economists, Professor Goforth of McGill University, the other day advocated the importation of some thousands of Chinese under a system of indentured labour for the purpose of developing our natural resources because the wages of our workingmen cannot be made commensurate with the cost of living, which has been steadily driven up. Whose fault is it? It is the fault of the system; and the professor's remedy, I know, is uneconomic and inhuman. But it is significant as showing that even the capitalists of the Dominion to-day are up against it. They are up against the problem which the agriculturist has felt for several years back.

Mr. CHAPLIN: Everybody is broke.

Mr. EVANS: The hon. gentleman says everybody is broke. His remark is intended to be sarcastic. Surely there is no need for us to have any great economist tell us the simple rules of economy. I tell the hon. gentleman we are digging our own grave. They say that protection is high in the United States and is a tremendous price fixing power for the manufacturer there. If that is so, why has smuggling from that high protectionist country become so popular? It is a most profitable business to-day to go to the United States and load up with silks and woollens for Canada.

An hon. MEMBER: Tell us how it is done.

Mr. EVANS: Perhaps if the hon. gentleman got on his feet sometimes he would know more about it than I do. I know what he is hinting at, that the smuggling is made possible by the nefarious trade in liquor from this Dominion into that friendly country, and I say again that therein we are defying the laws of the United States and also violating the spirit of the treaty entered into last year in regard to this matter. Senator Smith, of South Carolina, speaking in the United States Senate the other day, showed that agriculturists in the United States are in exactly the same condition as those in Canada. He said there had been much talk about prosperity, which members of the "old guard" were sure was unparalleled and due entirely to the Coolidge economy. When Senator Smith claimed the floor he spoke with much feeling, and after calling attention to the tremendous prosperity of Wall street and the huge volume of collateral loans of the federal reserve banks, he said that the prosperity of Wall street meant foreclosures on the farms of the United States. I have here a clipping from the Saskatoon Star of December 10, 1926, in which it is said:

> Herbert Hoover, Secretary of Commerce in President Coolidge's cabinet, issued a report recently in which he declares that the United States is enjoying a standard of living "far above that in most other countries of the world at this or any other time."

The clipping refers to a remark by Senator Brookhart, and goes on to say:

> According to the Senator, who is one of the insurgent party at Washington, one million farmers in the United States have lost their homes during the Harding and Coolidge administrations, which is to say, since 1920. An independent New York weekly, The Nation, commenting on his statement says the United States is "now seeing the fine flowering of the protective tariff system which has exalted manufacturing at the expense of agriculture." This is the system which has been advocated for Canada. The object lesson of the United States should not be lost on Canadians.

We are in exactly the same condition to-day, and these conditions are Dominion-wide. We have a beautiful country here, but equality of status as between classes and between provinces must be brought about. It does not take anyone with a gift of prophecy to say that it will not be long until confederation itself will go to pieces under this great system of class privilege.

Mr. E. G. ODETTE (East Essex): Mr. Speaker, I rise with considerable trepidation to make my first speech, if it may be so termed, on the floor of this House, and I crave the indulgence of Your Honour and of hon. members if I violate the rules of the House in any way. I can assure you that if I do transgress, my transgressions will not be wilful but due to my lack of knowledge of the time-honoured customs of this body.

At the outset of my remarks, which I will endeavour to make brief, I desire to compliment the Minister of Finance (Mr. Robb) on the budget introduced into this House last week. To be able to reduce taxation and at the same time announce a reduction in the net debt of this country is, I submit, no mean accomplishment. This afternoon the hon. member for Vancouver Centre (Mr. Stevens) argued that the reduction in the net debt meant nothing and that the only thing which counted was the funded indebtedness or, as he put it, the mortgage debt. Looking at it from a business point of view may I submit that if a manufacturing industry finds it necessary to build an addition to take care of increased business and finds it necessary to issue bonds or place a mortgage on the new addition, and if at the end of the year the financial statement shows that the profits have been increased by virtue of this addition, although the mortgage placed on the assets may have made the funded indebtedness higher, the common stockholders will benefit because these increased profits are divided among the common stockholders of that company. So, Sir, I submit that when the net debt of this country is lowered and a reduction in taxation follows, the stockholders of this country, who are the people of the country, are given dividends in the shape of reduced taxation.

While on the matter of business, some of the hon. gentlemen across the floor expressed great fear of American domination through American investments in this country. I have no such fear. I hold in my hand a copy of the Detroit Free Press dated September 22, 1926, in which appears an advertisement which I did not see in any of the newspapers in Canada. This advertisement reads as follows:

> You insure your life, your house, furniture, automobile. Here is an opportunity to buy an insured investment.

This company is called the Manufacturers' Finance Corporation Limited, incorporated under the laws of the Dominion of Canada. May I ask the hon. member for Vancouver Centre, with his well known business ability and his knowledge of finance, what constitutes an insured investment? The hon. member is silent; he is a director of this company and his name appears in the directorate as Hon. H. H. Stevens, Minister of Trade and Commerce, Canadian government. Apparently that is thought insufficient and his name appears again as Hon. H. H. Stevens, ex-Minister of Trade and Commerce—and still he cannot answer what is an insured investment.

Mr. STEVENS: As you, Mr. Speaker, know very well, I have no right to make replies to questions across the floor of the House, but I can certainly tell my hon. friend all about insured investments if it would be of any interest to give that information.

Mr. ODETTE: I believe the time is opportune when this House should introduce and pass some legislation that would prohibit hon. members of this House from using their positions as members of parliament to go to the United States or to other foreign countries and solicit funds there for wildcat oil schemes in Canada.

Dealing with the reductions in taxation announced by the Minister of Finance, I believe that the abolition of the graded tax on cheques, bills of exchange and notes has been received with favour by all business men of Canada. My hon. friends in the south-east corner of the House argue that this reduction in taxation does not benefit the mass of people. Well, let me say this to them—that when the burden of taxation is removed from the shoulders of a business man, and when the cost of doing business is lessened, that man is enabled to sell his products to the consumer for a lower price, and when the price is lowered naturally the people in general benefit.

Coming to the reduction in the taxation on matches, I disagree with the hon. member who has just taken his seat (Mr. Evans) when he says that the people of Canada do not complain about the price of matches. I know that in my part of the country they do complain of the price of matches. In Detroit, Michigan, six boxes of matches, that is of the large size containing five hundred matches each, can be purchased for the sum of twenty-five cents, while across the river in the city of Windsor, two boxes of matches cost twenty-five cents. Now the lumber from which these matches are made comes to a very large degree from the forests of Canada, and the containers that hold these matches are made from Canadian pulp. Then why should we in Canada pay three times as much for our matches as do the people of the United States? I submit that if the manufacturers of the matches are hiding behind this tax, the tax should be removed in its entirety.

Mr. EVANS: Will the hon. gentleman permit a remark?

Mr. ODETTE: Yes.

Mr. EVANS: I did not say the cost of matches was sufficiently low. What I objected to was that the tax was lowered in such a way that the reduction would not be passed on to the consumer.

Mr. ODETTE: Well, I think time will show whether that is true or not. I sincerely hope that time will show that this reduction has been passed on to the purchasers of matches.

Certainly no one can find fault with the removal of the tax on bank overdrafts or advances by banks. It has always seemed to me somewhat of an injustice to tax the man or the industry that was forced to borrow money.

Mr. RYCKMAN: Your own party put it on.

Mr. ODETTE: Then I presume our party will take it off, because I believe they will be here for some time to come.

Referring to the reduction in the sales tax, I desire to compliment the Minister of Finance. I believe it is a step in the right direction, but I should like to suggest to the minister that the sales tax on all Canadian-made goods be removed in its entirety, but that the sales tax on imported articles be retained.

Some hon. MEMBERS: Oh, oh.

An hon. MEMBER: Come over and join us.

Mr. ODETTE: Hon. gentlemen opposite applaud that suggestion. They may hurl at me the epithet that was hurled at the hon. Minister of Trade and Commerce—that I am a protectionist. Well, if that enunciation proclaims me a protectionist I am willing to be called a protectionist or any other name that my hon. friends may devise. If, by the removal of this sales tax on Canadian made goods, the citizens of Canada would be enabled to buy goods at a lower price, provided they were Canadian made and would, at the same time be able to buy the imported article without having the price increased one cent, then I say it is a good policy.

Let me go further. I sat in the gallery when the Minister of Finance told hon. gentlemen opposite that he proposed removing the excise tax of five per cent on motor cars costing $1,200 or less, and that if the manufacturers did not pass that saving on to the buyers of motor cars he would immediately remove the five per cent excise tax on cars imported from the United States or other countries. By removing the sales tax on all Canadian made goods, but leaving it on the imported articles the Minister of Finance would have a club with which he could force the Canadian manufacturer to pass that saving on to the consumers in Canada.

The hon. member for West Calgary (Mr. Bennett), speaking the other afternoon, said this:

> My hon. friends opposite are more concerned with foreign trade, and we are more concerned with domestic trade.

As to that I would say this: In the year 1921, when the Meighen government was in power, the imports of manufactured goods into Canada exceeded our exports by $264,000,000, and in 1926 the exports of Canadian manufactured goods exceeded our imports by $23,864,000. So that in 1921 we did a foreign business but it was on the wrong side of the ledger. To-day that foreign business has been increased but the balance is on the right side of the ledger. Even if the Canadian manufacturers had the entire Canadian field to themselves they would still be behind according to these figures. Let me give you an instance of how this would work. The Ford Motor Company of Canada sell every Ford car they possibly can in Canada. Their arrangement with the American Ford company gives them the entire Canadian field, and so the potential demand here for Ford cars is filled by the Canadian Ford company. At the present moment the Ford Motor Company of Canada are employing 6,130 men, and 40 per cent of their production is exported. I ask hon. gentlemen opposite where 2,452 men would find employment if it were not for the export trade of that one company?

An hon. MEMBER: What is the argument?

Mr. ODETTE: The argument is this, that by making reciprocal trade agreements with other countries that are beneficial to Canada, but in a spirit of give and take, industry will be built up in Canada, and I submit that one of the most beneficial things to Canada at the present moment would be a reciprocal trade agreement with the United States. If hon. members across the floor of the House would only devise ways and means of convincing the Canadian people that they should buy nothing but Canadian-made goods, and should buy no imported goods whatsoever, I am sure the manufacturers of Canada would be very thankful to them indeed. Why, in the galleries of this House we find angle iron stamped "Carnegie, Pittsburg." I do not think this government was responsible for

the construction of this building. I believe that any Canadian government, no matter whether it be Liberal, Conservative or Progressive, should set an example and buy nothing but Canadian-made goods wherever possible, buying imported goods only when Canadian made goods are not procurable.

The hon. member for West Calgary spoke of unemployment in Vancouver.

Mr. KELLNER: Just before the hon. member proceeds, I would point out that the pens on the members' desks were purchased in the United States. I believe the Liberal government is responsible for that.

Mr. ODETTE: If there are pens manufactured in Canada, I think this government or any other government should buy Canadian-made pens.

I was about to remark that I am not very conversant with industrial conditions in Vancouver, but I am conversant with employment and industrial conditions in my own constituency, and I desire to say that on December 31, 1926, there were 574 more men employed in the border cities than there were on the corresponding date in 1925—and that in the face of the employment situation in the city of Detroit, dynamic Detroit, a city famous the world over for its industrial activity. Let me give you the employment figures in the city of Detroit on the same dates. On December 31, 1926, there were 41,262 fewer men employed by the manufacturers and other employers in the city of Detroit than on the corresponding date in 1925. I have heard hon. gentlemen quote in this debate Adam Smith and Stephen Leacock, and I venture to say that if this debate continues long enough, some hon. gentlemen will be quoting King Tut. Allow me to quote an industrial leader in Canada, W. R. Campbell, vice-president and general manager of the Ford Motor Company of Canada. Speaking at a dinner given by the border chambers of commerce at Windsor on January 6, 1927, he said:

> I am most optimistic over the outlook for 1927. Having recently returned from an extensive tour of the Dominion, I find that financial, economic and industrial conditions throughout the country to-day are very encouraging. In every province there are indications of expanding business and prosperity. After completing this tour I am amazed at the potential buying power of Canada to-day. I have been through Canada on previous occasions, but was none too enthusiastic. This time, however, I saw improved buying and absorption power.
>
> The industrial situation in Canada shows a decided improvement. It is on the headway made last year, and from our internal research, that we are contemplating a 20 per cent increase in our production during 1927.

[Mr. Odette.]

I have given you the employment figures of the border cities. They speak for themselves.

Mr. PRICE: Is this not in your opinion simply a matter of advertising? This firm is in competition with other concerns selling automobiles in this country.

Mr. ODETTE: All right. The Willys-Overland Company of Toronto have increased their production by 30 per cent.

Mr. PRICE: Is that not advertising too?

Mr. ODETTE: I do not know that this is advertising particularly.

Mr. PRICE: Why, certainly, it is advertising.

Mr. ODETTE: All right. There are 574 more men employed in the border cities today than there were a year ago, so if advertising brings business to my constituency, I say let the advertising continue.

In conclusion, may I say to the hon. Minister of Finance that if he is able to bring down similar budgets providing for a reduction in taxation during the succeeding years of this parliament, he will have an augmented following behind him when the people of Canada are called upon for a pronouncement.

On motion of Mr. Young (Saskatoon) the debate was adjourned.

On motion of Mr. Robb the House adjourned at 10.20 p.m.

Monday, February 28, 1927

The House met at three o'clock.

SELECT STANDING COMMITTEES

CHANGES IN PERSONNEL

Hon. Mr. LAPOINTE (Minister of Justice): moved:

That the name of Mr. Ladner be substituted for that of Mr. Cantley on the select standing committee on marine and fisheries; That the name of Mr. Young (Saskatoon) be substituted for that of Mr. Cayley on the select standing committee on miscellaneous private bills; that the name of Mr. Cayley be substituted for that of Mr. Young (Saskatoon) on the select standing committee on public accounts; that the name of Mr. Edwards (Waterloo) be substituted for that of Mr. McRae on the select standing committee on railways, canals and telegraph lines.

Motion agreed to.

PARLIAMENTARY RESTAURANT

Hon. ERNEST LAPOINTE (Minister of Justice) moved:

That Messrs. Bancroft, Black (Yukon), Carmichael, Clark, Edwards (Ottawa), Fiset (Sir

Eugene) Howden, Kay, Ryckman, and Wilson (Wentworth) be appointed to assist His Honour the Speaker in the direction of the restaurant as far as the interests of the Commons are concerned and to act as members of the joint committee on both houses on the restaurant;

And that a message be sent to the Senate to acquaint their honours therewith.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

BINDER TWINE INSPECTION

Mr. BANCROFT:

1. Since when has there ceased to be an officer of the government known as the inspector of binder twine?
2. By what department is the inspection of binder twine, under the sales and inspection act, carried on?
3. How many inspections were made in 1926?
4. What quantity of binder twine, if any, was confiscated?
5. Was any binder twine found to be improperly labelled or deficient in length?
6. Has the government given any consideration to the need of improving the inspection of binder twine?
7. Has the government considered raising the standard required under the sales and inspection act?
8. Does the government intend to fix the net weight of binder twine contained in a bale?

Hon. Mr. MOTHERWELL:

1. Since August 1, 1924, the inspection of binder twine has been assigned to the forty-three inspectors of seeds, feeding stuffs, fertilizers, and commodities that are under the inspection and sale act.
2. Department of Agriculture.
3. 101.
4. None.
5. Yes. Imported twine was not released from bond until properly labelled as to weight and quality.
6. Yes. The system of inspection of binder twine was reorganized three years ago.
7. Yes. Because of the variability of the per cent of moisture and in consequence the length per pound of binder twine, it would seem desirable to change the standard from the number of feet per pound to the total number of feet contained in the ball, and to establish a minimum standard of breaking strength for binder twine.
8. In as much as length and strength of twine in a ball rather than weight of ball are the important considerations it would seem advisable to follow policy outlined in reply to questions No. 7 rather than fix net weight of balls or bales.

CANADIAN NATIONAL RAILWAYS—REPAIR SHOPS

Mr. CHURCH:

1. Have the Canadian National Railway shops at Stratford and Belleville been closed, or are they to be closed?
2. What sum was spent by the Canadian National Railways in 1922 or since on repair shops and plant at Port Huron?
3. What was the total capital cost of the said plant, and the annual cost of maintaining same, by years?

Hon. Mr. DUNNING:

1. No.
2. 1922.. .. ..$13,995 98
   1923.. .. .. 28,393 23
   1924.. .. .. 16,496 76
   1925.. .. .. 15,977 14
   1926.. .. .. 2,869 94
3. Capital cost.. .. .. $1,090,000 00
   Maintenance,—
   1922.. .. ..$ 8,489 23
   1923.. .. .. 19,320 94
   1924.. .. .. 23,386 22
   1925.. .. .. 7,182 80
   1926.. .. .. 23,107 26

THE DUMPING ACT—ENFORCEMENT

Mr. YOUNG (Weyburn):

1. How often has the dumping act been enforced between July 1, 1922, and January 31, 1927?
2. What evidence was in the possession of the customs department at the time of each enforcement, that dunping actually existed?
3. What was the number of cases between July 1, 1922, and January 31, 1927, in which the dumping act was applied after the value for duty had been fixed as provided in section 47a of the customs act, and the particulars in each case?
4. What was the number of cases between July 1, 1922, and January 31, 1927, in which the dumping duty has been refunded by the department after it had been collected.

Hon. Mr. EULER:

1. There is no statistical record of the entries on which dumping duty has been collected.
2. Dumping duty is applied by port officers in accordance with the regulations respecting the appraised fair market value and the selling price to the purchaser in Canada as set forth in section 6 of the customs tariff act.
3. and 4. (Answered by No. 1).

TRADE UNIONS AND CH. 125 REVISED STATUTES

Mr. BOUCHARD:

1. How many trade unions have availed themselves of the provisions of chapter 125 of the revised statutes, an act respecting trade unions?
2. How many registered trade unions are now in existence?

Hon. Mr. LAPOINTE:

1. Number of trade unions registered since the revised statutes of Canada, 1906 came into force, 28.
2. Nine.

GERMAN REPARATIONS

Sir GEORGE PERLEY:

With reference to the investigation into claims for losses sustained by the civil population in the war, which was begun by Mr. Pugsley and is now being continued by Mr. Friel:
1. How many claims were presented?
2. What was the total amount claimed?
3. When will the investigation be completed and a final report made?

Hon. Mr. LAPOINTE:

1. 1,510.
2. $55,672,934.23.
3. An interim report covering 1,497 claims, totalling $41,505,787.80 has been submitted by the commissioner. There still remain thirteen claims for assessment, and the commissioner reports that "there are in these cases such masses of documents, evidence, briefs, calculations by experts, accountants, etc., that it will take further time to deliver intelligent decisions."

ENTERPRISE POSTMASTERSHIP

Hon. Mr. EDWARDS (Frontenac):

1. Is there a vacancy in the postmastership at Enterprise, Ontario?
2. If so, when did such vacancy occur?
3. Has it been advertised, and when?
4. From whom have applications been received?
5. Has any appointment been made, and, if so, when, and who has been appointed?
6. Are any of the applicants returned soldiers?
7. Who is acting postmaster at present and are his services satisfactory?

Hon. Mr. VENIOT:

1. Yes.
2. 13th January, 1927.
3. Advertised from 22nd to 29th January, 1927.
4. (a) G. A. Cooper; (b) W. P. Covert; (c) W. S. Fenwick; (d) O. B. Jackson; (e) Mrs. S. D. Lockwood; (f) P. J. Murphy; (g) Mrs. Anna Wiseman.
5. No permanent appointment made yet.
6. Yes—G. A. Cooper.
7. Retiring postmaster still in charge.

YARKER POSTMASTER

Hon. Mr. EDWARDS (Frontenac):

1. Is there a vacancy in the postmastership at Yarker, Ontario?

2. If so, when did such vacancy occur?
3. Has it been advertised, and, if so, when?
4. From whom have applications been received?
5. Has an appointment been made, and, if so, when, and who has been appointed?
6. Are any of the applicants returned soldiers?
7. Who is acting postmaster at present and are his services satisfactory?

Hon. Mr. VENIOT:

1. Yes.
2. 13th November, 1926.
3. Yes from 16th to 25th November, 1926.
4. W. A. Martin, T. W. Tomkins, J. A. Wells.
5. No permanent appointment made yet.
6. Yes, T. W. Tomkins.
7. T. W. Tomkins since 31st January. No complaint received.

ODESSA POSTMASTERSHIP

Hon. Mr. EDWARDS (Frontenac):

1. Is there a vacancy in the position of postmaster at Odessa, Ontario? If so, when did it occur?
2. Was the vacancy advertised in the usual way, and when?
3. From whom were applications received?
4. Were the several applicants rated in order of merit by the district superintendent of posal service, and when?
5. What was the rating in order of merit?
6. Why has the vacancy not been filled?
7. What is the postal revenue of Odessa office?
8. Who is acting postmaster and are his services satisfactory?

Hon. Mr. VENIOT:

1. Yes. 28th June, 1926.
2. Yes. 5th July to 12th July inclusive.
3. (a) W. C. Snider, (b) R. A. Hamm, (c) S. W. Clarke, (d) W. J. Pooke, (e) D. O. Frink, (f) S. J. Smith, (g) U. V. W. Snider, (h) R. D. Schermerhorn, (i) S. F. Hillier, (j) W. R. Lake, (k) A. J. Smith (withdrew application), (l) M. G. Lee.
4. Yes. In his reports of 3rd August and 15th December, 1926.
5. As in No. 3.
6. Held first at request of Hon. Dr. Edwards, then on instructions of Postmaster General. Case now before commission.
7. $1,389.13.
8. Percy Raymond Clark. No complaint received.

TREASURY BILLS

Mr. SPENCER:

1. What amount in treasury bills has the government of Canada given the Canadian banks from July 1, 1926?
2. What was the average percentage charged the government by the banks for this service?

Hon. Mr. ROBB:

1. None.
2. Answered by No. 1.

BUTTER IMPORTS, 1926

Hon. Mr. EDWARDS (Frontenac):

1. What quantity of butter was imported into Canada during the calendar year 1926 from each of the following countries: United States; United Kingdom; Australia; New Zealand?
2. What quantity of these imports was the produce of the countries from which imported?
3. What were the rates of duty and amounts collected in the case of each?
4. Was a higher rate of duty collected in the case of Australia than the 1 cent per pound provided for in the trade agreement with Australia, and, if so, what was the rate?
5. If a higher rate, under what authority, and what was the date of the passing of such authority and the date from which it applied?
6. What quantity of Australian butter has been shipped from Canada since the increase of duty was applied and to what countries was it shipped?
7. Was duty collected on butter so transhipped or was a refund made, and, if so, what was the amount collected or refunded?

Hon. Mr. EULER:

Numbers 1, 3 and 4.

STATEMENT of imports of butter from United Kingdom, United States, Australia and New Zealand entered for consumption in Canada during the calendar year 1926, showing the rates of duty applied and amounts of duty collected at each rate on imports from each country.

Country whence imported	Lb.	Value	Rate of Duty	Duty collected
		$		$ cts.
United Kingdom	490,555	174,681	3c. per lb	14,716 65
"	28,000	10,714	3c. per lb. less 10%	756 00
"	2,280,142	847,527	4c. per lb	91,205 68
Total United Kingdom	2,798,697	1,032,922		106,678 33
United States	99,127	40,230	4c. per lb	3,965 08
Australia	1,630,972	592,945	1c. per lb	16,309 72
"	1,364,768	503,043	4c. per lb	54,590 72
Total Australia	2,995,740	1,095,998		70,900 44
New Zealand	1,196,689	428,551	1c. per lb	11,966 89
"	921,524	338,865	3c. per lb	27,645 72
"	1,075,169	493,372	4c. per lb	43,006 76
Total New Zealand	3,193,388	1,260,788		82,619 37

2. Information regarding countries of origin is not available from department statistical records.

5. Under authority of customs tariff and customs act, when importations do not conform to requirements for admission at minimum rates.

6 and 7. No foreign butter on which import duty was paid, was shipped out of Canada in 1926. Foreign butter was shipped out of bond in Canada during 1926 to the following countries:

Country	Cwt.	Value
United Kingdom	1,364	$ 50,223
Jamaica	626	26,300
Newfoundland	25	1,055
Bermuda	306	13,568
British West Indies, other	298	12,477
British Guiana	145	6,089
Barbados	74	3,204
Trinidad	209	9,083
British Honduras	28	1,009
St. Pierre	155	5,758
Haiti	35	1,615
Costa Rica	118	5,022
Virgin Islands	51	1,867
Panama	37	1,516
United States	3	169
Japan	11	446
China	3	130

Information is not available as to the amount of Australian butter included in these figures.

DIAMOND JUBILEE CELEBRATION

Mr. THOMPSON:

In view of the educational and inspirational value thereof, has the government considered the advisability of issuing to the school child-

ren of Canada, a medal, or other suitable memento, to commemorate the diamond jubilee celebration of the birthday of our dominion?

Hon. Mr. LAPOINTE:

The government has referred to the national committee which has recently been established all suggestions which have been received as to methods of commemorating the diamond jubilee of confederation, and will take the same course with respect to the present suggestion.

QUESTION PASSED AS ORDER FOR RETURN

CHICAGO DRAINAGE CANAL—GREAT LAKES LEVELS

Mr. ARTHURS:

1. Has any action been taken by the government of Canada to inquire into the levels of the various Great lakes as before and since the Chicago drainage canal has been opened, and whether the later increased flow through such canal has adversely affected Canadian harbours or channels?

2. If so, when, and to what extent?

3. Have instructions been given to our new minister or ambassador to Washington to make a claim for damages sufficient to cover the cost of dredging, etc., if such levels have been covered, involving additional costs to Canada, or has such claim been formally made?

UNOPPOSED MOTIONS FOR PAPERS

MR. A. R. TIBBITS—VANCOUVER HARBOUR COMMISSION

Mr. STEVENS:

For a copy of the report made during the past year by Mr. A. R. Tibbits, Supervisor of Harbours, regarding the conditions obtaining at Vancouver, together with a copy of all documents, letters, telegrams, instructions and statements passing between any minister of the government and the said Mr. Tibbits or the chairman or secretary of the Vancouver Harbour commission and the said Mr. Tibbits, and all schedules and appendages attached to or forming part of the said report.

PELLY POST OFFICE, Y.T.

Mr. BLACK (Yukon):

For a copy of all letters, telegrams, reports, petitions, correspondence or communications since January 1, 1924, between the government of Canada, the Postmaster General, any member of the government, deputy minister or any official of the government, and any person or persons, relating to the position of postmaster or postmistress at the post office of Pelly, in Yukon territory.

BRITISH COLUMBIA VEGETABLE GROWERS

ALLEGED PREFERENCE TO ORIENTALS

On the Orders of the Day:

Hon. S. F. TOLMIE (Victoria): Mr. Speaker, I should like to draw the attention of the government to a statement appearing in the press which has received wide publicity, and which casts an unfair reflection on the white producers of agricultural products in British Columbia. This despatch appears in our local papers and was sent from Vancouver on February 25 by the Canadian press:

Inability of white farmers of British Columbia to supply vegetables of quality available for shipment to China for consumption of troops stationed there, was given by R. G. L. Clarke, Dominion fruit inspector, here to-day, as the reason for their purchase from Chinese growers of the province. Twenty-five tons of potatoes and 14 tons of onions were shipped to the British authorities at Shanghai from here three weeks ago on the liner Empress of Asia, while ninety tons of potatoes and fifty tons of onions will be forwarded on the Empress of Canada which sails for China to-morrow. All of this produce is said to have been grown by orientals.

Mr. Clarke, who stated that he had purchased the supplies on behalf of the British government, said he was aware of their origin, but had been unable to secure other products of fit quality and that all his decisions in the matter had been approved by his superiors in Ottawa.

Protests against the alleged discrimination against whites have been forwarded to both the federal and provincial governments in Ottawa and Victoria by several Vancouver dealers.

This, Mr. Speaker, is a very serious and unfair reflection on our white growers of agricultural products in British Columbia. From years of experience out there I have found that they are capable of growing vegetables not only as well as but better than the orientals. I would ask the minister if he has any light to throw on the matter.

Hon. W. R. MOTHERWELL (Minister of Agriculture): Mr. Speaker, some four or five weeks ago the High Commissioner's office in London entered into cable communication with my department with regard to certain supplies for the orient. Inasmuch as the liner the Empress of Asia was lying in Vancouver harbour at the time the order had to be filled immediately.

There were three outstanding considerations before us in filling that order: first, quality of goods, second price, and third, the despatch with which we could fill the order. If it was not filled in time, then of course the vessel would sail without the goods. I had a number of wires along the lines indicated by my hon. friend from Victoria (Mr. Tolmie); but inasmuch as the more important of the telegrams received were sent in code, I inferred that the High Commissioner's office deemed it advisable not to give any unnecessary publicity to the matter just at this time. Consequently I shall ask my hon. friend not to press me any further in

the matter. If he will call at my office or see me in the lobby I will give him sufficient information to serve his purpose, while not betraying the confidence reposed in me by the High Commissioner's office. The office in London did not ask me to make inquiries as to who grew the potatoes; they simply required the three considerations I have mentioned, namely, price, quality and despatch.

Mr. TOLMIE: Is it the intention of the government, in the case of repeated orders, to give the white grower the preference if possible?

Mr. MOTHERWELL: If the price and quality are right.

RABIES IN MONTREAL

On the Orders of the Day:

Mr. L. G. BELL (St. Antoine): I would call the attention of the government to an item that appeared in the newspapers in Montreal on Saturday, to the effect that there would be an anti-rabies drive against all dogs found on the streets of that city. This is a very serious matter for all dog owners of Montreal inasmuch as they are unable to obtain the muzzles prescribed by the government officials. Furthermore, it is reported in the newspapers that the authorities have despatched inspectors and veterinaries, with the result that these dogs will be killed without the owners having any redress. I would ask the minister in charge of this particular branch of government what the intention is in the matter, and to make some official statement in view of the fact that the public of Montreal have received no information except what appeared in the papers on Saturday.

Hon. W. R. MOTHERWELL (Minister of Agriculture): My hon. friend, I gather, wants to know what we are going to do in regard to carrying out the muzzling order issued twelve months ago as a result of an outbreak of rabies in Montreal. The enforcement of this order is not easy in a city of such proportions. Dogs suffering from this affliction have been finding their way into other places and spreading the disease to such an extent that in some parts of the province of Quebec the situation is grave. Word has reached the foreign authorities and as a result the export of our foxes has suffered, one foreign country refusing to accept our live foxes. The time has come when we must enforce the regulation more strictly, especially as the provincial authorities of Quebec have drawn our attention to the fact that this has not been properly done so far. Instructions have been given to the officers of my department to round up all unmuzzled or improperly muzzled dogs not on the leash, for the purpose of destroying them, of course in a humane way, under the auspices of the Humane Society. That order will be observed, I trust. It is the only way to eradicate the disease. It took eight months to round up eight cases of rabies in the Ottawa district, and we have been at it twelve months in Montreal with the result that I have outlined; and unless we carry out the order more strictly, not only will the disease spread to other provinces, but it will affect human beings as well. A hundred and forty cases of human rabies are being treated at the present time, and from the disease two deaths have so far resulted. It is therefore incumbent upon the department to carry out the order as rigidly as possible.

MONTREAL, OTTAWA AND GEORGIAN BAY CANAL COMPANY

On the Orders of the Day:

Sir GEORGE PERLEY (Argenteuil): In connection with the Georgian Bay Canal bill which is to come up for consideration tomorrow evening, I would ask the government to let me have a copy, or place one on the table of the House to-morrow, of an official letter on the subject dated January, 17, 1925, from the Deputy Minister of Justice to the Deputy Minister of Public Works.

Mr. CAHAN: As a point of order may I observe that the bill in question was discussed on Friday evening, but was not disposed of. Does it take precedence of all other private bills until it is disposed of?

Hon. ERNEST LAPOINTE (Minister of Justice): I will make the necessary inquiries about the supposed letter and let my hon. friend know.

Mr. DEPUTY SPEAKER: For the information of the hon. member for St. Lawrence-St. George (Mr. Cahan), I may say that the bill will keep its place on the order paper as though it had not been debated on Friday evening.

Mr. E. J. GARLAND (Bow River): I would ask the government to table also a report, which I understand is now in the hands of the Department of Public Works, made by the engineers some time in 1925, I believe, with reference to this project.

CALGARY LIVE STOCK INVESTIGATION

On the Orders of the Day:

Hon. S. F. TOLMIE (Victoria,): May I ask the Minister of Agriculture when we may

expect the report with reference to the investigation of the Calgary Live Stock Exchange and Calgary stockyards? I understand that certain amendments are to be made to the Live Stock Act and we ought to have this information before that subject is taken up. The minister may inform us at the same time whether all the live stock interests will be given an opportunity to be heard before the agricultural committee or elsewhere before the amending bill is dealt with in this House.

Hon. W. R. MOTHERWELL (Minister of Agriculture): Just as rapidly as my staff can copy out the various reports and documents the order will be filled. I asked my deputy this morning what the prospects were and he thought we should be able to comply with the request some day this week. I expect that the amendment to the Live Stock and Live Stock Products Act, referred to by my hon. friend will be submitted to the agricultural committee and of course, following the usual custom, any party interested will have an opportunity to be heard before the committee.

THE BUDGET

Continuation of debate on the annual financial statement of the Minister of Finance.

The House resumed from Friday, February 25, the debate on the motion of Hon. J. A. Robb (Minister of Finance) that Mr. Speaker do now leave the chair for the House to go into committee of ways and means, and the proposed amendment thereto of Mr. Coote.

Mr. A. MacG. YOUNG (Saskatoon): There is a matter of great importance to our province which I desire to bring to the attention of the House this afternoon; but before doing so I desire to make a few observations with reference to some of the speeches already delivered in this debate. I take this early opportunity of saying, as one member of the House, that I regretted very much indeed the speech delivered the other evening by the hon. member for Skeena (Mr. Brady) so far as it had reference to the late member for that constituency, Mr. Stork. I came to this House last year a new member, unacquainted with that gentleman, but during my stay of six months here I got to know him better and I always found him in every way honourable. Indeed, I think I may safely say that every member of the last parliament found Mr. Stork an honourable member of the House. It was unfortunate, I think, that the present member for Mr. Stork's riding, in the sermon he delivered some days ago in this chamber, should have seen fit to suggest that his predecessor had been dishonest in his representation of his constituency in parliament, and that he had not presented the facts to the House. I for one wish to place myself on record as being quite resentful of these remarks. It ill becomes any member of this honourable chamber to cast such aspersions upon a gentleman who enjoyed the confidence of those whom he represented here. Mr. Stork is not here to speak for himself, and when his opponent has already put him down it does not come with good grace from him to speak as he has done. I think perhaps if we were a little more careful in some of our imputations it would be better for the most of us. Referring now to the hon. member for Vancouver Centre (Mr. Stevens), I was very much surprised to hear him suggest that the Minister of Immigration (Mr. Forke) changed his seat from one side of the House to the other and entered the government apparently for a consideration of $14,000. Again I place myself on record as being most resentful of that sort of imputation in this House. I do not believe any man belonging to any group of this House would change his allegiance for any monetary consideration of that kind; we do ourselves a great injustice by making statements of that character in this chamber. Too often we hear from the public platform that men in public life are crooked, and perhaps we cannot blame the public so much if we in this chamber suggest that hon. members of the various groups are not perfectly honourable. I believe the hon. member for Skeena (Mr. Brady) is perfectly sincere in his views, and I also think I am quite safe in saying that the gentleman who preceded him as member for that constituency was quite as sincere. Because men hold opposite views is no reason for suggesting that their views are dishonest.

For a few moments now I would like to refer to the remarks of the hon. member for Toronto West Centre (Mr. Hocken), who spoke of a matter which I consider to be of very great importance, dealing with the class of literature coming to Canada from the United States. Again I wish to place myself on record as being in sympathy with a portion of his remarks; I am quite prepared to say with him that I wish to see literature of an immoral character kept out of Canada, whether it comes from the United States or from any other country, but there was one peculiar thing in the remarks of the hon. gentleman. He seemed to mix up immorality in literature with protection, all in the same breath as though he, being a man with a very systematic mind, wished to group together those things which should go together. He held up a magazine which he had described as being obscene and then said in effect, "It

comes in free." What was the idea; did he want it to be just a little higher price, a little more expensive? Does he want a higher tariff, so that only the rich can afford to read that obscene literature? In my humble opinion he has taken the wrong ground altogether; he should have said such literature should be prevented from coming into Canada if it is obscene and immoral. I was also very much interested in his argument with respect to the difficulty of printing things in Toronto. He pointed out how difficult it was to do that work there, and took us across to Buffalo to show us how much money could be saved, but his argument at the same time was for protection on those works published in Canada. In developing his argument he said in effect that the price of paper in Toronto was the price of paper in Buffalo plus the duty and plus the freight, and for a few moments he made as fine a speech on free trade as I have ever heard. But he ended in this way, "I do not object to the manufacturer having that protection, but I also ask that the publishing houses should have additional protection." First of all he wants to give protection to the machines and paper and then to the men printing the paper; he wants the whole thing pyramided. And what is he to do with it? We who are the unfortunate consumers have to pay the whole bill; that is one of the difficulties in the argument of the hon. gentleman. If he had confined himself to the question of preventing that class of literature from coming into Canada I think he would have had the sympathy of every member of this House, but when he includes that with higher protection we must disagree.

I would like to go one step further; as a member of this House and a citizen of Canada I am sorry to see so many things on the front pages of our newspapers coming from the United States. There are many little items which seem to amuse the people of the United States very much, such as the troubles of Mrs. Aimee Semple McPherson. I assure the House that such things are not of interest to me, but day after day we take up the paper and find pictures of one or two half-wits together with the stories of the crimes they have committed. If the hon. member for Toronto West Centre would pay attention to the prohibition of this class of literature I would be very pleased to give him my support.

For a few moments now I wish to discuss the amendment moved by the hon. member for Macleod (Mr. Coote), and first I would like to look at the amendment itself. The words are:

> Whilst recognizing the advisability of certain minor changes proposed, this House regrets that the budget as presented by the honourable Minister of Finance contains no effective provision for the reduction in the high cost of living, in so far as such is due to the protective tariff:
>
> That the budget shows a further departure from the principle of direct and visible taxation based on the ability to pay.
>
> And further that no systematic effort is being made to reduce our national debt, the interest on which absorbs so large a proportion of the revenues of the Dominion.

I particularly wish to refer for the moment to the last line of the first paragraph, ". . . in so far as such is due to the protective tariff." I wish to compliment the draftsman of that resolution in the selection of those particular words, which have a very definite purpose and perhaps some definite meaning, with which I will deal a little later. Then appear the words, "That the budget shows a further departure from the principle of direct and visible taxation based on the ability to pay." In other words, the suggestion is apparently made that there was regret because of the reduction in the income tax effected by the budget last year, and that now things are getting much worse and we are to have a further reduction. I want to tell the House that I found nothing which gave the common, ordinary people, for whom I stand and whom I represent in this House, greater satisfaction than the fact that they were relieved of that responsibility last year, and until recently I had understood that all hon. members in that particular corner of the House were in agreement with what was then done. I am rather surprised to see how the Robb budget of last year has been handled by certain hon. members in that corner of the House, because last year everyone was apparently satisfied. There are hon. members in this House to-day who were very glad to crawl or creep back to the House tied to the apron strings of that budget; last year they tried to shout from the housetops that they were supporters of that budget, and that it was an excellent budget. This year we have another such budget, but this year we have the amendment I have already read.

I would call your attention now to an amendment brought up in this House last year by the present Prime Minister, which was as follows:

> That the Speaker do not now leave the chair but that it be resolved that in the opinion of this House the fiscal policy of the government, as enunciated by the present Prime Minister when leader of His Majesty's opposition, would prove detrimental to the country's continued prosperity and prejudicial to national unity.

We had a vote on that amendment last year, and if we look at the result, in the "nay" column we find such names as Anderson, (Toronto High Park); Chaplin (Kent); Church, Coote, Garland (Bow River) Ryckman, and others. I take it that every hon. member who voted on that resolution was just as honest about the matter as I was. The attitude of those who voted against this resolution was that the fiscal policy of the government, as enunciated by the then Prime Minister when leader of His Majesty's opposition, would not prove detrimental to the country's continued prosperity, would not prove prejudicial to the national unity. At page 5201 of Hansard of last year, I find the hon. member for Bow River (Mr. Garland) reported as saying:

> On the point of order, by no stretch of the imagination can the hon. member who has just resumed his seat claim that the motion which has just been made deals with the fiscal policy of the country. It cannot deal with the fiscal policy of the country when moved as a political motion.

Mr. GARLAND (Bow River): Hear, hear.

Mr. YOUNG (Saskatoon): The hon. gentleman says "hear, hear". We are going to go here and here and there and there before we are through. Now it is very interesting indeed to read this particular resolution and the votes recorded on it and then to find that it was a political resolution. Of course it was a political resolution. What are we doing in this House? We are doing things political. That is why we are here. After all is said and done what is politics? It is simply transacting the business of the country, and I accept that definition of the resolution.

Now I want to get back for a very few moments to the amendment to the resolution which we are discussing this afternoon, and I want to find out what it means. Before doing so I wish to read one more quotation from a speech by the hon. member for Bow River last year. The hon. gentleman is reported at page 5207 of Hansard for 1926 as follows:

> That being the case, I say that we would be ill-advised indeed to fall into any trap that may be set for us by hon. gentlemen to my right just as we would have been ill-advised to fall into the trap set by the hon. member for East Calgary (Mr. Davis), or by any other hon. member who moves a political motion. So far as I personally am concerned, I will weigh every question on its merits, and if I detect in it a single trade of political motive, distinct altogether from the interests of the country, I shall have no hesitation in voting against it.

[Mr. A. M. Young.]

Now, we are going to apply that principle to the present day and generation, and I want to ask the hon. member for Macleod (Mr. Coote), if he is in his seat, if he expects his amendment to carry? I observe that the hon. gentleman is not in his seat, therefore I ask the hon. member for Bow River if he expects the amendment to carry?

Mr. GARLAND (Bow River): Most certainly.

Mr. YOUNG (Saskatoon): That is very well. Now if the amendment carries what does it mean? It means that this government must necessarily resign, and the opposition will be called upon to form a government. That is what it means. It means that the hon. member for Bow River, if I understand him aright, would hike back to the province of Alberta and there hide himself at the very bottom of the deepest pit. There is no man here who does not know that this amendment is moved for one reason and one reason only. I myself have listened most carefully to speeches made in the west on the political platform, of the general policy of the members of the Progressive party and I have had very little disagreement with it. As a matter of fact we have seen so much eye to eye with regard to tariff policy that I never wasted my time discussing the matter. I am a low tariff man unquestionably and always have been.

An hon. MEMBER: Will you vote for the amendment?

Mr. YOUNG (Saskatoon): I will tell my hon. friend about that in a moment. Well, now, what is the purpose of this amendment? We have heard it said already this session: it does seem that the old traditional Liberal party is stagnant. The Conservative party have got some working agreement, some plan of coöperation with the Liberals, and they and the Liberals are working together. We are the only party that are standing true to our principles.

Mr. GARLAND (Bow River): Hear, hear.

Mr. YOUNG (Saskatoon): Yes, "hear, hear." Has that ever been said before? Was that ever said on the hustings in Saskatchewan, was it ever said on the hustings in Alberta, was it ever said on the hustings in Manitoba, that "We are a party separate and distinct from the Liberal party or the Conservative party. They are the parties that vote more frequently together than any other parties, and in order to show such coöperation we must have this kind of amendment." That

is the sole purpose of this amendment. That is the reason my hon. friends have moved it so that they may get out on the hustings in western Canada and say that the Tories and Liberals are voting together more frequently than any other parties. We might as well tear off the veil of hypocrisy so that my hon. friends may not make this plea on the hustings in western Canada hereafter. Personally I am so entirely in agreement with the low tariff policy that I do not argue the question in western Canada at all. But I am not in favour of any man proclaiming such propaganda as I have described, from the housetops, and trying to make people believe that because members of different parties happen to vote with each other sometimes they are necessarily acting in coöperation with each other.

Mr. CAMPBELL: Is that all my hon. friend and his colleagues told their people in Saskatchewan with regard to the actions of two or three members on this side of the House last session?

Mr. YOUNG (Saskatoon): I had intended to spare the hon. gentleman but now that he has invited attack, let me tell him what I did say. There were certain times last year when certain hon. gentlemen—some of whom are absent to-day but most of whom are present—were voting—and I would say to the hon. member for Mackenzie (Mr. Campbell) that, if one happened to notice, on the two occasions when the vote really meant the killing of the Liberal government there was no mistaking where he stood on those votes. It was perfectly safe for those hon. gentlemen to vote in the matter of the Robb budget, but there was no doubt at all as to where they stood when the votes meant the killing of the Liberal government.

I should like to say a word or two upon the subject of coöperation. I was very much surprised indeed to hear what my hon. friend from Bow River, always very genial and always very eloquent, said. He indulged in some very peculiar insinuations. In the first place he was awfully worried about this or that member from Saskatchewan, and how they were going to act with respect to this amendment. He was wondering what we were going to do with this awful budget, a "static" budget, I think he called it, brought in by the Minister of Finance. I am going to try and relieve the mind of my hon. friend a little bit on that question. In the first place personally I am never worried about identifying myself with some particular resolution. The people back home whom I have the honour to represent know how I am going to vote. I have spent twenty years of my life in that district, and I have always taken an honest, independent stand on public questions. What is true of myself is true of every other member from Saskatchewan. When we have something to say we are not afraid to say it.

Last year I said very frankly that I was not very enthusiastic over the tariff board. I am not now enthusiastic over the tariff board. I am going to tell you why. Please remember that anything I may say has no reference to the personnel of that board. The tariff board was not asked for by myself; it was asked for, I believe, by the Canadian Council of Agriculture, it was asked for by other bodies; and theoretically it seems to be an institution which would be of good service to all concerned. However, the tariff board was created, and I for one say that I am going to be sufficiently fair to this or any other board to give it every possible chance to function. We must be reasonable and fair, and we must do all in our power to use that instrument for the greatest good of the greatest number of the people of this country. I wish, however, to be on record as saying that if at any time that board is to be used as an instrument or agent to hide behind in order to increase the tariff, I would say: Get thee gone and give way to honest men. We can never give the functions of this House over to that tariff board or to any other tariff board that may be created. I want to be perfectly frank in that regard.

But what is the situation? Am I worried about the present budget? I want right now to compliment the Minister of Finance (Mr. Robb) on the budget which he has introduced. I think he has brought in a splendid budget. The tariff board was created last year; it started up its machinery, and it is gathering many facts. When anything is in its initial stages you must give it time to do its work thoroughly. Hon. members who were here last year know that last year's session was perhaps the most strenuous that this House ever experienced. What followed? We had an election on the 14th September and most of us were not idle from the time we left here in July until after the 14th September. In addition to that the ministers of the crown had to go back to their constituencies for re-election. Later on there was held in the old country an Imperial conference which was attended by the Prime Minister (Mr. Mackenzie King) and the Minister of Justice (Mr. Lapointe), two of the ablest men this country has produced. After their return from the conference the House opened before the end of the year and I am going to ask: Just

what was the situation? Let me call to the defence of what I am about to say the hon. member for Macleod (Mr. Coote). Last year he said in this House: I am tired and I want to go to bed, or some words like that. He said that it was beyond his physical endurance to remain here any longer. Nevertheless here is the hon. gentleman who is now moving this amendment, worrying about the fact that we are not going ahead a little faster in reducing the tariff.

What about the poor ministers of the crown? We have to work ten to sixteen hours a day. They are working about twenty-six—two hours overtime. They are working night and day. They were running the election; they were going to the Imperial conference; they are responsible for the whole government of this country, and yet after all the strenuous work we had last year up to the very end of the year, my hon. friend expects that we should be prepared with a large measure of tariff reductions. If we are going to give this tariff board a chance to function, we must give it ample time to gather all the facts. Surely for this year we can be sufficiently generous to the Minister of Finance if he wants a little rest and has not had time—

Mr. EVANS: Will the hon. gentleman state to the House exactly what the Canadian Council of Agriculture asked for in the way of a tariff advisory board or anything of that kind, and what duties and powers they would confer on that board other than what it has now?

Mr. YOUNG (Saskatoon): I am very sorry I have not all the details my hon. friend asks for. I did not think for one moment the Canadian Council of Agriculture was asking for a tariff board that would increase the tariff. I understood the reverse.

Mr. EVANS: The hon. gentleman has created a wrong impression regarding the Canadian Council of Agriculture.

Mr. YOUNG (Saskatoon): I do not think so. I do not wish it to be inferred that I understood the Canadian Council of Agriculture were asking for a tariff board in order that the tariff might be increased. They were not asking for it for that purpose. Now that the tariff board has been created, it should be given an opportunity to make good.

Mr. BIRD: Is the hon. gentleman sure that the Canadian Council of Agriculture ever made that request?

Mr. YOUNG (Saskatoon): That has been stated over and over again in this House and I take it that such is the case. After all the strenuous time we had last year, this amendment criticises the Minister of Finance for not bringing in further reductions in the tariff. We must be honest, fair and reasonable with the board and we must give it a proper chance to function. If it can demonstrate that it is really acting in the interest of the masses of the people of this country, I for one am prepared to be behind it.

Mr. BELL (St. Antoine): When the hon. member stated that we must be fair, honest and reasonable in regard to the tariff board, did I understand him to say that he was in favour of the tariff board as long as it did not increase the tariff?

Mr. YOUNG (Saskatoon): So long as the tariff board is a fact-finding body, confining its work to fact-finding, and it is not persuaded and swayed by philosophers bringing in opinions of those who claim they know. That is one of the difficulties and why I am watching it carefully. Amongst the manufacturers each branch has an expert whose duty it is to find out in just what way they can get a little more protection. I ask: What representation on the tariff board has the great mass of unorganized opinion?

An hon. MEMBER: Nobody.

Mr. YOUNG (Saskatoon): What have my hon. friends in that corner done? The hon. member for Maple Creek (Mr. Spence) has assumed almost the whole responsibility on his shoulders up to the present time. He is the only man of all of us who has been really carrying the burden of endeavouring to represent the great mass of unorganized opinion. That is where my fear arises. These experts in all branches of manufacture are present. What for? With the idea of lowering tariffs? Not very much, except in a few cases where this is happening: Some of the manufacturers find that the things they have to buy are protected, and they want the protection removed from these things. It is the most selfish organization I know of.

I wish to say a few words to-day about grain rates which come under the jurisdiction of the Board of Railway Commissioners, and I desire to give a review of the situation as we find it operating in western Canada. In 1925 the parliament of Canada passed this statute which was assented to on 27th June of that year:

(5) Notwithstanding the provisions of section 3, the powers given to the board—

That is the Board of Railway Commissioners.

—under this act to fix, determine and enforce just and reasonable rates, and to change and

alter rates as changing conditions or cost of transportation may from time to time require, shall not be limited or in any manner affected by the provisions of any act of the parliament of Canada, or by any agreement made or entered into pursuant thereto, whether general in application or special and relating only to any specific railway or railways, and the board shall not excuse any charge of unjust discrimination, whether practised against shippers, consignees, or localities, or of undue or unreasonable preference, on the ground that such discrimination or preference is justified or required by any agreement made or entered into by the company: Provided that, notwithstanding anything in this subsection contained, rates on grain and flour shall, on and from the date of this act, be governed by the provisions of the agreement made pursuant to chapter five of the statutes of Canada, 1897, but such rates shall apply to all such traffic moving from all points on all lines of railway west of Fort William to Fort William or Port Arthur over all lines now or hereafter constructed by any company subject to the jurisdiction of parliament.

(6) The board shall not excuse any charge of unjust discrimination, whether practised against shippers, consignees, or localities or of undue or unreasonable preference, respecting rates on grain and flour, governed by the provisions of chapter five of the statutes of Canada, 1897, and by the agreement made or entered into pursuant thereto, within the territory in the immediately preceding subsection referred to, on the ground that such discrimination or preference is justified or required by the said act or by the agreement made or entered into pursuant thereto.

That is an act of parliament that was assented to on June 27th, 1925. On the 5th day of June, 1925, an order in council was passed, No. 886, which with the permission of the House I shall put on Hansard:

[P.C. 886]

Certified copy of a report of the committee of the Privy Council approved by His Excellency the Governor General on the 5th June, 1925.

The committee of the Privy Council have had under consideration the final disposition of the petition to the Governor in Council of the governments of the provinces of Alberta, Saskatchewan and Manitoba by way of appeal from a general order No. 408 of the Board of Railway Commissioners for Canada (hereinafter referred to as the "board"), dated the 14th day of October, 1924, under which certain tariffs of the Canadian Pacific Railway Company and Canadian National Railways were disallowed and required to be withdrawn from operation.

In and by the said petition the petitioners seek to have the above-mentioned general order of the board rescinded and further to have the discrimination which would be created by the reinstatement of the tariffs disallowed by the board removed by lowering other rates to the level of the rates in effect on Crowsnest commodities, so-called, prior to the effective date of the said order.

Upon the hearing it appeared that the petitioners had appealed to the Supreme Court of Canada to have determined certain questions of law and jurisdiction of the board arising in connection with the board's general order abovementioned. The committee, being of the opinion that, whatever the power of council might be in the premises, it was essential that it should be advised as to the exact situation in reference to these questions of law and jurisdiction before finally disposing of this matter, and that the operation of the said general order of the board should be postponed pending the outcome of the said appeal to the Supreme Court, recommended in part that the said general order of the board be varied so as to provide that the tariffs therein referred to should again become operative and remain in effect until further order of the board following the decision of the Supreme Court of Canada on the said appeal to it. Effect was given to this recommendation by the issue of order in council (P.C. 2220) dated the 25th December, 1924.

It appears that the Supreme Court of Canada, after argument in which were heard not only counsel for the present petitioners and the railway companies interested but also counsel for the province of British Columbia, the maritime provinces, the cities of Edmonton, Alberta, and Saskatoon, Saskatchewan and Brantford, Ontario, and after reserving judgment, directed that the questions submitted to it be answered as follows:—

Question 1.—Whether, as a matter of law, the board is empowered, under the jurisdiction conferred upon it by the Railway Act, or otherwise, to authorize railway rates upon the railway of the Canadian Pacific Railway Company in excess of the maximum rates referred to in the Crowsnest Pass Act, being chapter 5, 60-61 Victoria, statutes of Canada, and in the agreement therein referred to, upon the commodities therein mentioned.

Answer.—No.

Question 2.—If the court shall be of the opinion that the Crowsnest Pass Act or agreement is binding upon the Board of Railway Commissioners for Canada, then, according to the construction of the Crowsnest Pass Act, section 1, clause (d), and the agreement made thereunder;

(a) 1. Are the rates therein provided applicable to traffic westbound from Fort William and from all points east of Fort William now on the Canadian Pacific Railway Company's railway?

Answer.—No.

(a) 2. Are such rates confined to westbound traffic originating at Fort William and at such points east of Fort William as were, at the date of the passing of the act and (or) the making of the agreement, on the company's line of railway?

Answer.—Yes.

(b) Are such rates applicable to traffic originating at points east of Fort William which were, at the date of the passing of the act and (or) the making of the agreement, on any line of railway owned or leased by or operated on account of the Canadian Pacific Railway?

Answer.—In order that the traffic provided for by clause (d) should fall under that clause it must originate at Fort William or some point east thereof which at the date of the agreement was "on the company's railway".

(c) Are the rates therein provided applicable to traffic destined to points west of Fort William which are now on the Canadian

Pacific Railway Company's railway, or on any line of railway owned or leased by or operated on account of the Canadian Pacific Railway Company?

Answer.—In order that the rates prescribed in clause (d) should apply the destination of traffic otherwise within that clause must be a point which was, at the date of the agreement, "on the company's main line or on (some) line of railway throughout Canada owned or leased by or operated on account of the company".

(d) Are such rates confined to traffic destined to points west of Fort William which were, at the date of the passing of the act or the making of the agreement, on the Canadian Pacific Railway Company's railway, or on any line of railway owned or leased by or operated on account of the Canadian Pacific Railway Company?

Answer.—Yes.

Question 3.—Whether, as a matter of law, the board is empowered, under the jurisdiction conferred upon it by the Railway Act, or otherwise, to authorize rates upon the Canadian Pacific Railway on grain and flour from all points on the main line, branches or connections of the company west of Fort William, to Fort William and Port Arthur, and all points east beyond the maximum rates specified in the Crowsnest Pass Act and agreement, and referred to, in chapter 41, statutes of Canada (1922).

Answer.—No.

Upon the hearing before Your Excellency in Council it appeared that the re-establishment of the rates provided for in the Crowsnest pass agreement upon the limited list of commodities and between the points specified therein had brought about considerable variations in the rates applicable thereto prior to the 7th July, 1924, and it was urged on behalf of a large section of the Dominion, and in particular by counsel for the cities of Edmonton, Alberta, and Saskatoon, Saskatchewan, and the maritime provinces, as well as representatives of responsible trade organizations in the provinces of Ontario and Quebec that the establishment of these rates would disrupt the rate structure built up under the control of the board since its creation, with consequent serious injury to trade relationships throughout the Dominion.

It was also urged that sources of supply had changed since the agreement was made and that certain commodities which were formerly shipped in large quantities from eastern Canada to the prairie provinces are now largely supplied either by local industries or from British Columbia, which latter province, it was alleged, would be cut off from a large part of its natural market by the permanent restoration of the Crowsnest rates.

It was further urged that the continuance of the Crowsnest rates (so-called) would compel the Canadian National Railways to make similar reductions from all competitive points, and thus involve a serious loss in revenue to them which would have to be made up from other government sources and further postpone the time when it would be possible to make any general rate readjustment or to solve satisfactorily the problem of the National Railways.

The committee observe that the agreement in question was made at a time when the Canadian Pacific Railway Company was the only company having a through line of railway extending through the prairie provinces and British Columbia, and before the creation of the board for the control of railway rates under the provisions of the Railway Act of 1903 and subsequent acts; and further, that the underlying purpose of the rate control inaugurated by the Railway Act of 1903 was to do away as far as possible with all unjust discriminations and undue preferences, and to secure a fair and reasonable rate structure, which, under substantially similar circumstances and conditions would be equal in its application to all persons and localities.

The committee are of the opinion that the policy of equalization of freight rates should be recognized to the fullest possible extent as being the only means of dealing equitably with all parts of Canada, and as being the method best calculated to facilitate the interchange of commodities between the various portions of the Dominion, as well as the encouragement of industry and agriculture and the development of export trade.

The committee are further of the opinion that to give effect to this policy, and considering the submissions made by counsel and important trade organizations representing different provinces and localities in the Dominion as to the disadvantages that would be suffered by such provinces and localities by any partial or incomplete consideration of the freight rate structure, a thorough and complete investigation of the whole subject of railway freight rates in the Dominion should be carried out by the Board of Railway Commissioners, the body constituted by parliament with full powers under statute to fix and control railway rates.

The committee are further of the opinion that as the production and export of grain and flour forms one of the chief assets of the Dominion, and in order to encourage the further development of the great grain growing provinces of the west, on which development the future of Canada in large measure depends, it is desirable that the maximum cost of the transportation of these products should be determined and known, and therefore are of opinion that the maximum established for rates on grain and flour, as at present in force under the Crowsnest pass agreement, should not be exceeded.

The committee are further of the opinion that, before such investigation is undertaken it is essential to ensure that the provisions of the Railway Act in reference to tariffs and tolls, and the jurisdiction of the board thereunder, be unfettered by any limitations other than the provisions as to grain and flour hereinbefore mentioned.

The committee therefore advise that the board be directed to make a thorough investigation of the rate structures of railways and railway companies subject to the jurisdiction of parliament, with a view to the establishment of a fair and reasonable rate structure, which will, under substantially similar circumstances and conditions, be equal in its application to all persons and localities, so as to permit of the freest possible interchange of commodities between the various provinces and territories of the Dominion and the expansion of its trade, both foreign and domestic, having due regard to the needs of its agricultural and other basic industries, and in particular to:

(a) The claim asserted on behalf of the maritime provinces that they are entitled to the restoration of the rate basis which they enjoyed prior to 1919;

(b) The encouragement of the movement of traffic through Canadian ports;

(c) The increased traffic westward and eastward through Pacific coast ports owing to the expansion of trade with the Orient and to the transportation of products through the Panama canal.

The committee further advise that legislation be introduced at the present session of parliament, making it clear that the provisions of the Railway Act of 1919 in respect of tariffs and tolls shall, save in the particular above mentioned, be operative notwithstanding any special acts or agreements and removing all doubts to to the validity of tariffs heretofore filed.

The committee submit the same for Your Excellency's approval.

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

That was an order in council directing an inquiry into the general freight rate system throughout Canada. When I came to this House last year as a member, I said something about this extension of the Crowsnest pass agreement. I had interviewed some of the members of the Board of Railway Commissioners, and before coming here, as a member of the executive of the Saskatoon Board of Trade, I along with other members of the board had sent out many inquiries to all the boards of trade in the province, and later we made representations to the Board of Railway Commissioners with regard to what we believed was a discrimination in the rates as between the northern part of the three prairie provinces and the southern part; in other words, we believed that the board had not made a proper application of the statute which I have just read. On December 12th, 1925, I wrote a letter to the chairman of the Board of Railway Commissioners, and on December 22nd, 1925, had a reply from Commissioner Vien, which reads as follows:

In the absence of the chief commissioner, Mr. Burpee his secretary, has handed to me for reply your letter dated December 12th in reference to Crowsnest pass rates. I find that you have put to the chief commissioner the following questions:—

1. Does the Crowsnest pass agreement, as enlarged, order that railway rates on grain and flour, eastbound, shall be the same at all railway points equidistant from Fort William?

2. Have schedules been filed with the commission by the railway companies?

3. Do they show that the rates are equal?

4. If this is proven to the commission, will the board order the railway companies to refund to shippers, all overcharges?

In answer to question No. 1, it will be remembered that Crowsnest pass agreement, as regards grain and flour eastbount, provided only that there would be a reduction in C.P.R.'s then existing rates and tolls of .03 per 100 lbs., and that no higher rates than such reduced rates would be charged after the dates mentioned in the agreement.

It will be readily seen therefore, that it does not necessarily follow that railway rates on grain and flour eastbound shall be the same at all railway points equidistant from Fort William.

You speak of the agreement as enlarged. Please note that the only enlargements are those contained in 15-16 Geo. V, c. 52, s. 3, ss. 5-6.

By subsection 5 it was provided that the rates of the agreement would thenceforth apply to traffic moving from all points on all lines of railways west of Fort William or Port Arthur, over all lines then or thenceforth constructed by any company subject to the jurisdiction of parliament.

The rates were not altered, but they were made to apply over a wider field.

Subsection 6 provides that a charge of unjust discrimination shall not be excused by the board, even as regards the Crowsnest rates, on the ground that such discrimination is justified or required by the act or the agreement.

I will read that again:

Subsection 6 provides that a charge of unjust discrimination shall not be excused by the board, even as regards the Crowsnest rates, on the ground that such discrimination is justified or required by the act or the agreement.

If the board were not at the time, it became by this subsection empowered to compel the railways to cease unjustly to discriminate against shippers, consignees or localities, if any such unjust discrimination were satisfactorily established before the board.

In answer to question No. 2, I may state that the schedules have been filed with the commission by the railway companies, on the 7th of December instant. In answer to question No. 3 I may state that these schedules do not show the rates are equal—

Even at that date there was no question in the minds of the board. They say that the schedules do not show that the rates are equal. The letter goes on:

—at all railway points equidistant from Fort William. They show the contrary, and as you are aware, the board issued its general order No. 420 of July 18, 1925, directing the railway companies to file such tariffs as were necessary to implement the provisions of s. 325 of the Railway Act, 1919, as amended by 15-16 Geo. V, c. 52. The railway companies are on record as stating that their tariffs are in compliance with the legislation.

Subsequently, there were complaints that the rates are not in all cases the same from stations equidistant from Fort William.

This matter was to have been spoken to at sittings of the board at Ottawa, September 29th, 1925, but, for the reasons mentioned at pages 1983 et s. of vol. 444 of the record, it was agreed not to go on with the complaint, pending the production by the railway companies of the tariffs in effect prior to and at the time of the coming into force of the Crowsnest agreement.

This information has now been received, and is being furnished to counsel for the provinces of Saskatchewan, Alberta and British Columbia. It is understood that there will be a hearing to receive the submissions of all parties interested, after which the board will consider the same and reach a decision.

As to question No. 4, it is not quite clear in my mind whether the commission has jurisdiction to order the railway companies to refund to shippers overcharges; this question can be determined only upon hearing of all interested parties on this matter.

I hope that this covers specifically what you had in your mind in writing to the chief commissioner.

The next thing that happened was that the province of Saskatchewan and the city of Saskatoon had legal representatives appointed in order to press the claims of that portion of the country. I may say here that Saskatoon is in the centre of the northern portion of Saskatchewan which is affected by these rates, and as such we felt that in so far as we in the city could do anything to help in this situation, the duty devolved upon us to do it. The city believes that its interests are so inextricably interwoven with the interests of the country districts that we are simply one and the same thing; we cannot take any other viewpoint. So we had counsel appointed to represent our interests before this board. They appeared before the board and presented their whole case.

On August 25, 1926, I was in Ottawa, and again I visited the Board of Railway Commissioners, and made representations on behalf of that section of the country, begging and praying that the time would not be let slip by and another crop be moved without getting the benefit of the reduced rates to which we felt we were entitled in that part of the country. On September 27, 1926, I sent the following wire to the secretary of the Board of Railway Commissioners:

Please advise when we may expect decision re inequitable rates under the Crowsnest pass agreement as extended. One crop has been moved without the farmers of northern Saskatchewan getting benefit under said agreement. Is the railway commission going to permit another crop to be moved before final action is taken?

On October 12th, 1926, I received the following letter from the secretary of the Board of Railway Commissioners:

I am directed by the board to confirm the deputy chief commissioner's telegram to you of the 7th instant, which read as follows:

"Your telegram to secretary of board, dated September twenty-seventh brought to my attention to-day. Board unable to state definitely when final action can be expected for various reasons set out in letter that follows."

THOMAS VIEN.

I am also directed by the board to add the following:

That in your telegram you state—"one crop has been moved without the farmers of northern Saskatchewan getting the benefit under said agreement. (Crowsnest pass agreement.)"

[Mr. A. M. Young.]

That if you are under the impression that last year's crop moved under the present rate through inaction on the part of the board, this impression is mistaken and somewhat erroneous.

That the Railway Act was amended by parliament at the session of 1925, and the amendments were assented to on the 27th of June, 1925, extending the application of the Crowsnest pass agreement to grain and flour moving from all points on all lines of railways west of Fort William to Fort William or Port Arthur; over all lines now or hereafter constructed by any company subject to the jurisdiction of parliament.

That on the 8th of July, the board issued its general order No. 420, directing that "the railway companies, subject to the jurisdiction of parliament, file such tariffs, effective within fifteen days from the date of this order, as may be necessary to implement the provisions of the said section of the Railway Act, 1919, as amended."

That rates were thereupon put in by the railway companies which they claim, are in compliance with the order of the board, and the provisions of the amendment of 1925.

That such rates are claimed by interested parties, to be an evasion of the legislation in question and, it is contended that they do not carry out the provisions of the amendment or the order of the board.

That the complaints of the provinces of Alberta and Saskatchewan were received by the board in the form of the two following applications:

"Application of the provinces of Alberta and Saskatchewan that rates on grain and flour to Pacific coast ports within Canada for export as published in C.P.R. tariff C.R.C. No. W. 2788 and C.N.R. tariff C.R.C. No. W. 432, be corrected to basis of equalization proportionate to distance as such grain and flour would carry if moving eastward for export as provided for in order No. 36769, dated 2nd September, 1925, and,

"Application of the provinces of Alberta and Saskatchewan that the Board set a mileage scale of what rates on grain and flour to Pacific ports within Canada for export should be based on a reduction of three cents per hundred pounds from C.P.R. main line rates as same existed immediately prior to enactment of 60-61 Victoria, ch. 5, being an act to authorize a subsidy for a railway through the Crowsnest pass and that such rates shall apply to all such traffic moving from all points to all lines west of Fort William either to Fort William or Port Arthur or to Pacific coast ports within Canada over all lines constructed by any company subject to the jurisdiction of the board."

(Files Nos. 32812.1 and 30686.2).

That these two applications were set down for hearing at Ottawa on the 29th of September, 1925, and were listed on the docket under letters N & O.

That for the reasons mentioned at pages 1983 and following of volume 444 of the record, at the request of counsel appearing on behalf of the western provinces, it was agreed that these applications would not then be proceeded with, but that they would be spoken to at a later date.

That at the request of the same parties, these applications were again set down for hearing at Ottawa on February 16, 1926, and they were then heard by the full board.

That even if a decision had then been rendered, most of the 1925 crop had already been moved, and therefore up to that time, if any delay took place, it was at the request of the western provinces.

That your telegram then continues—"Is the railway commission to permit another crop to be moved before final action is taken."

That on the 23rd February, 1926, the board rendered an oral judgment in open court.

That three commissioners held that those applications should be dealt with independently of the general rate investigation, that the applicants had made a prima facie case, and that, under section 319 of the Railway Act, on the railways was the burden of proving that the lower tolls charged on C.P.R. main line did not amount to unjust discrimination against shippers located on C.P.R. northern branches and C.N.R. lines.

That the other commissioners held, on the contrary, that those two applications should not be disposed of independently, but should be dealt with as part of the general rate investigation, and should be spoken to in the course of the then impending western trip of the board.

Vide record, vol. 453, pp. 2132 and following.

That the board being evenly divided, no order could be issued upon these two applications, independently of the general rate investigations,

That after several weeks being taken up in April and May by the Bell Telephone enquiry, and—

I wish to say a few words about that in a moment.

—other matters, the board undertook its western trip, and spent the major part of June and the whole of July in western Canada.

That at the various sittings held, counsel appearing on behalf of several western interests and of the western provinces, filed with the board a mass of documentary evidence, and undertook to give copies of same to counsel appearing on behalf of the railways.

That when the question arose of fixing a date for the final hearing in the general rate investigation, counsel appearing on behalf of the railways complained that they had not received as yet (and as late as the 10th instant), several of the exhibits above mentioned, and that they could not complete their preparation before such exhibits were furnished to them.

That no date can be fixed for the final hearing until such time as such exhibits are received by the railways, and steps are being taken to urge counsel representing western provinces to expedite this matter.

That the board is presently engaged with the investigation of the Bell Telephone Company which is likely to last for another period of four or five weeks.

That a date will be fixed at the earliest possible moment, for the final hearing, and all matters involved, including the two applications above mentioned, will then be dealt with in due course.

Yours truly,

A. D. Cartwright,
Secretary, B.R.C.

Dr. A. M. Young, M.P.,
Saskatoon, Sask.

I replied to the secretary of the board, thanking him for his letters and said—

Mr. GUTHRIE: Before my hon. friend reads that letter, might I ask him a question for my information? Is the discriminatory rate as against northern Alberta and northern Saskatchewan in force to-day?

Mr. YOUNG (Saskatoon): It is still in force. I will come to that later. The letter which I wrote to the secretary of the railway board was as follows:

I thank you for your letter of 12th inst., I wish to protest in the strongest manner possible against the unwarranted and unnecessary delay in having the orders issued with respect to rates on grain and flour under the Crowsnest pass agreement as enlarged. I have read your letter very carefully and regret to say that it does not contain a reasonable excuse.

The Board of Railway Commissioners for Canada was brought into being for the purpose of having such matters as this dealt with expeditiously. It is well known that the board had the necessary power to hasten this decision had it so desired. The people of this part of the country cannot be expected to suffer this injustice to continue without offering a most vigorous protest.

I wish to urge that this matter be given immediate attention and that judgment be delivered at the earliest possible moment.

On the same date I wrote to the Hon. J. G. Gardiner, Premier of Saskatchewan. Let me say here that the government of Saskatchewan has been doing everything possible, and I may add that the premiers of Alberta and Manitoba too have been urging on the railway commissioners that this matter be dealt with and finally decided. This is my letter to Mr. Gardiner:

I have been in correspondence with the Board of Railway Commissioners for Canada with respect to the delay in issuing judgment in connection with railway rates on grain and flour under the Crowsnest pass agreement as enlarged. The following paragraphs appear in their reply:

"That at the various sittings held, counsel appearing on behalf of several western interests and of the western provinces, filed with the board a mass of documentary evidence, and undertook to give copies of same to counsel appearing on behalf of the railways.

"That when the question arose of fixing a date for the final hearing in the general rate investigation, counsel appearing on behalf of the railways complained that they had not received as yet (and as late as the 10th instant) several of the exhibits above mentioned and that they could not complete their preparation before such exhibits were furnished to them.

"That no date can be fixed for the final hearing until such time as such exhibits are received by the railways, and steps are being taken to urge counsel representing the western provinces to expedite this matter."

It is scarcely understandable that counsel for the prairie provinces should delay one day in furnishing whatever exhibits were necessary. I would be glad if you would give this matter

your immediate attention and have instructions issued to counsel for this province that the matter be attended to.

So far as I can see it, there is not the slightest justification for the delay which has occurred with respect to this whole matter. Farmers in northern Saskatchewan are being penalized two cents per hundred pounds on grain in comparison with those who come under the old agreement.

Please do all in your power to see that this matter is speeded up as much as possible.

Under date of October 21, 1926, Mr. Gardiner wrote me as follows:

I am in receipt of your letter of October 20 referring to your correspondence with the Board of Railway Commissioners with respect to the delay in issuing judgment in connection with reducing rates on grain and flour under the Crowsnest pass agreement. This matter has been under the direction of Honourable J. A. Cross, attorney general. I can assure you that everything that this government can do in the matter has been done.

I am forwarding your letter to Mr. Cross and suggesting to him that if he can do anything to prevent any delay by making requests to other governments, it be done as soon as possible. I agree that this matter should be cleared up at the earliest possible date.

Yours sincerely,

James G. Gardiner.

I have also a letter from the Hon. J. A. Cross, Attorney General, Saskatchewan, dated October 23, 1926, in which he expressed himself to me as follows:

Premier Gardiner has just passed to me your letter to him of the twentieth instant relative to freight rates on grain. The information which you have received from the railway board has recently come to our attention, and so far as I am aware, is without foundation. The matter of equalisation of freight rates on grain and flour in this province was argued before the Board of Railway Commissioners at Ottawa in February last, and since that time we have been pressing for a decision. The board is now evidently attempting to make this application a part of the general rates inquiry. We have, like yourself, become very impatient and extremely annoyed at the delay in connection with this matter. I am passing a copy of your communication to W. H. McEwen, Esq., who has been acting as counsel for the province. I am asking Mr. McEwen to write you more fully on the subject.

Yours faithfully,

J. A. Cross.

Mr. McEwen wrote me and this is his letter:

Copy of your letter of the 20th of October to the Hon. J. G. Gardiner has been forwarded to me by the attorney general, with a copy of his letter to you in reply. If you should happen to be in Regina at any time in the near future I would consider it a favour if you would call to see me so that I could explain this situation to you personally. It is somewhat difficult to tell the whole story by correspondence.

[Mr. A. M. Young.]

However, briefly the situation with regard to alleged unjust discriminatory rates on grain and flour to Fort William is as follows:

Following the amendment to the Railway Act in 1925 the board issued its order requiring the railway companies to file tariffs on grain supplementing the provisions of that statute. Both railway companies took the position that their present tariffs complied with the provisions of the statute, and published Crowsnest rates on grain. Considerable correspondence followed between the Hon. Mr. Cross on the one hand, and the Board of Railway Commissioners and officials of the railways on the other. Nothing could be obtained by correspondence and finally the situation developed to the point where the provinces of Saskatchewan and Alberta made an application to the Board of Railway Commissioners at its sittings at Ottawa on the 16th of February for the removal of the discrimination complained of.

You are aware that in the meantime the board had been directed to conduct a general investigation into freight rates. On the hearing at Ottawa in February the complaint of the provinces was fully developed, but at the conclusion three members of the board took the position that the matter of discriminatory grain rates could not be dealt with apart from the general rates enquiry. The three other members of the board took the opposite view, namely that our application was properly before the board, and that the question of proper grain rates could, and should be disposed of apart from the general rates enquiry. Under these circumstances it was obvious that our application could not succeed apart from the general rates investigation, and what we asked for and hoped to obtain was a decision of the board refusing our application, as the board was evenly divided. This order was not made immediately following the application, and although we have been trying to obtain such a order so that we might appeal therefrom to the Governor General in Council, up to the present date the board has simply refused to deal with the application at all, and I am lately informed that they take the view, with the exception of Commissioner Oliver, that our application will be dealt with as an application in the general rates investigation, and disposed of at that time. This is very unfortunate. We are still considering what we can possibly do to secure a judgment from the board one way or the other, but at present it looks as though no judgment will be available until after the, argument in the general investigation, and the decisions in that matter.

Now I desire to refer briefly to the paragraphs quoted in your letter from the communication you received from the Board of Railway Commissioners. These paragraphs were doubtless intended as the board's excuse for having failed up to the present time to fix the date for the final argument in the general rates matter. You may possibly have seen a letter of the 13th of October written by the secretary of the board to Mr. J. M. Stevenson where a somewhat similar attitude is adopted. In that letter, however, you will see that the board

states that since early in June it has been continuously engaged, and that the Bell Telephone enquiry will take four or five weeks yet.

It is true that during the western sittings numerous exhibits were filed. I desire only to speak for the province of Saskatchewan, but I think this statement is also true with respect to the board of trade at Saskatoon represented by Mr. Stevenson. At the hearing in Regina I filed a considerable number of exhibits and at that time furnished all persons who were present at the hearing with copies of the exhibits in question. Each railway got at least two copies of each exhibit which I filed. This statement is subject to qualification. The Western Canada Live Stock Union had made a submission in the general rates investigation and three or four witnesses appeared at Regina in support of that submission. I assisted in the presentation of this case for the stockmen in conjunction with a somewhat similar case which had been submitted by the province of Saskatchewan. Some of these witnesses, however, in giving their evidence, filed certain graphs, of which they had only one copy, and of which I had received no previous notice, and had no copy myself. These graphs are all on file in Ottawa where they can readily be seen by counsel for the railway companies who appear to spend a large proportion of their time at Ottawa, and in or around the board's quarters at that place. It is quite impossible for me to supply railway counsel with copies of these exhibits for the reason that I have no copies of them myself. I have notified the secretary of the board of this fact, and have told him that if he will return these exhibits to me at Regina, I will have photographic copies of them made, and supply these to the counsel in question.

It is quite possible that the railway counsel are making this an excuse for being unprepared to go on with the main argument in this case, but I have noticed that throughout the inquiry the railways have always been anxious to find some excuse for putting off the conclusion of this hearing as far as possible. I personally have no apology to offer in this connection.

Yours faithfully,

W. H. McEwen.

On November 3, he sent me this short note:

Dear Sir:

Re General Rates Inquiry—Grain

For your information beg to state that on the 1st inst. I wired the Secretary of the Board of Railway Commissioners as follows:

"Refer to your letter ninth ultimo file 34123 my reply 22nd ultimo. If you prefer not to forward exhibits 8 to 22 inclusive here authorize you to have photographic copies prepared our expense furnishing to us and for railways and board."

Yours truly,

W. H. McEwen,

Counsel for the province of Saskatchewan.

I have taken a long time to read from the documents, but the matter is so important that I want all the facts to be on record. In order that there shall be no misrepresentation of anything that was actually done I have taken the trouble to have everything set down in black and white. I want to be fair to the commissioners because I shall have something to say about the present board before I am through. I have here a record of the Board of Railway Commissioners dated Ottawa, Ontario, Friday, 22nd October, 1926. It bears the names of the commissioners present at the particular hearing reported herein. The commissioners were all present but one. I read:

[File 34123.13]

Re General Freight Rate Investigation

Submissions of the Harbour Commissioners of Quebec, Que. L. A. Cannon, K.C., for the Quebec Harbour Commission.

Mr. Cannon: Mr. Chairman, if I may have the leave of the commission? I appear on behalf of the Quebec Harbour Commission, and beg leave to address the board for a few minutes on a question that we think of vital interest to my clients. It is concerning the submission made on behalf of the Quebec Harbour Commissioners, and which now forms part of the investigation in the general investigation of the freight rates question:

The board knows that this matter has been in abeyance now for quite a while. It was started under an order in council of June 1925. We were heard here last March and we all had hopes early last spring that we might get some result from the submissions made by the Quebec Harbour Commission. Unfortunately, the leaves are now falling, the fall has come and we have not even been able to have a date fixed for the final hearing. As far as that goes, and as far as the Quebec Harbour Commission is concerned, you will recollect that we practically closed the case in Winnipeg last June and that the only thing that remained to be done was to cross-examine or to re-examine Mr. Mallory, the witness of the Canadian National Railways. Now I notice that we may not expect a date to be fixed now. I understand that in the general freight rate investigation some exhibits have to be filed, but in this matter of the Quebec Harbour Commission we would like, if possible, to have a rate fixed for the transportation of grain that would apply—we have not been able to apply it to the 1925 crop and our chances with the 1926 crop are that it will not be moved under the new conditions, but we would like if possible to have something that would work in 1927. On behalf of the Quebec Harbour Commissioners I would feel obliged, and I would respectfully submit, that a date may be fixed for the final hearing of that application, at the same time, if it is possible, for the date to be fixed for the hearing on the merits of the general investigation of the freight rates.

The Chief Commissioner: Mr. Cannon your observations to the board are of course quite properly made, and they are somewhat in line with other communications that the board has

lately received. It might be well, I think, if we review for a moment the condition of affairs as far as this board is concerned.

You may remember that the procedure under the general freight rate investigation was started by an order in council, but the matter in which you harbour board is more concerned seems to be the rates upon grain moving eastward under legislation of last year by an amendment to the Railway Act. That amendment was assented to in the latter part of June, 1925. Early in July following, within ten days from the date such assent was given, this board held a formal meeting and issued an order directing the railways to conform to the provisions of that legislation. I have not the order before me, but the board as a precaution took upon itself to direct the railways to conform with the provisions of that amendment, although it was their duty, apart from such order, to recognize the legislation and to govern themselves by it. The board ordered that within fifteen days the railways put in tariffs to comply with that legislation. Certain tariffs were put in, and it was objected by parties interested, principally the province of Saskatchewan and Alberta, that the rates which were so put in and which have special reference to the interests which you are appearing for, did not comply with the order of the board, nor with the amending legislation.

Thus there was a straight issue between the railways and the provinces mentioned. The board did not hestitate in having that matter brought before it, and in September—on the 29th of September, my brother Commissioner Boyce recalls to my memory—the parties appeared before the board, and the representatives of the western provinces commenced to develop their case. It transpired almost immediately that they were not in a position to proceed because they had not before them the tariff schedules of 1897. It will be remembered that there is no particular yardstick whereby one may measure all Crowsnest pass rates, but these rates were fixed under agreement following legislation at a reduction of three cents per hundred pounds from the rates which prevailed on the C.P.R. main line before that date. It therefore became necessary to find out what the rates were which previously prevailed. In order to do that, the tariff schedules of that year had to be considered. Tariff schedules since the formation of this board in 1904, are filed here, but tariff schedules in existence prior to that year, are not filed here, and therefore the applicants were not able to turn to the records of the board and to avail themselves of the necessary information but had to ask the railways to furnish it. When it was apparent that this information was a part of their case, they asked the board to direct the railways to produce that information and the board so directed. The Canadian Pacific Railway Company, through their representative, Mr. Flintoft, expressed doubt as to whether the tariff of 1897 could be obtained; he said that it was long out of date, but he thought there was in existence a copy of such tariff somewhere in the west. We directed that all possible efforts should be made to find it, and that when found it should be submitted at once to our traffic officer. It took some time to do this, but such delay, I am anxious to suggest to you, was not by any means the fault of the board. However, the tariff schedule 1897 was eventually found, and as soon as the parties were ready again, the board entertained their motion. It was not until February that the necessary data had been gathered. On February 16 the parties came before the board and they then developed their case. It was soon apparent that in considering the amending legislation which was the basis of the application, different ideas prevailed, and the members of the board by no means hesitated to express their opinions. As I say, it was on the 16th of February that the case was resumed, and on the 23rd of February, having listened to all the parties, the board immediately expressed its view as to whether it was competent under the legislation and under the order in council to develop and decide the case apart from the general freight rate investigation.

It is a matter of common knowledge that the members of the board did not see eye to eye in that matter. Three members thought that it was so inextricably bound up with the general freight rate investigation that it should not be separately dealt with. The other three members took the opposite view. The members of the board did not hesitate for a moment—I want to emphasize this to you—to express their views, and the parties concerned had immediate advantage of those views. In the circumstances no judgment could be given, because the board being equally divided, the opinion of one section is equally as effective as the opinion of the other. The board found itself in such position, and that being so, no order could be made and no judgment could be delivered, there was nothing else to do but to go on with the matter under the general freight rate investigation.

While you have not intimated that the board has delayed judgment, that view has been expressed elsewhere, and I am taking the present opportunity to make it plain that the board did not delay judgment. The members of the board immediately made public their views in the matter, and left the parties to take whatever remedy they might be advised.

Now with reference to the conduct of the general freight rate investigation. Hearings began in January and continued with all speed. Besides this, the board has been extremely busy in other matters. Later a section of the board went west and began the western hearings under the general freight rate investigation. It carried with it a docket consisting of twenty-five to thirty cases involving the general freight rates, and thirty-five to forty cases of ordinary motions. On the 14th June the board faced that docket in Winnipeg, and then rapidly proceeded across the country from city to city. It sat in Vancouver from Friday the 9th July until the 14th, in New Westminster on the 16th, Chilliwack on the 17th, Victoria on the 19th, and again in Vancouver on the 22nd. From the 14th June until the 22nd July, there were 39 days, including five Sundays, leaving 34 working days. Edmonton was fixed for hearing on the 28th June, but that being election day in Alberta, that date was not open to us, thus leaving only 33 days. Now in those 33 days, the board heard over 50 cases, sitting continuously 28 out of the 33 days, and travelling clear to the coast, including the journey up and down the Okanagan lakes, forcing the lawyers

to sit long hours in the courtrooms, and working to the limit of their endurance. The board did, I assert, make all possible speed having regard to the importance of the inquiries, and to the necessary time that the representatives of different interests required. In addition to that, the board sat in Prince Rupert on the 29th July, and then hurried home to join the other members of the board, who had been equally busy in routine matters, which are at the present moment piling up in almost dismaying proportions. When all the members of the board came together again, and as soon as was possible, having regard to the disturbed conditions prevailing, the hearing of this telephone case was begun, and it is over a month since we started this last part of the case. Notwithtanding all that, we have not lost sight of the freight rates investigation. On the fourth of October, we summoned the representatives of the railways for discussion with a view to coming to an undertanding, and giving specific directions as to what further details they must furnish, and to fix a date for final hearing. We then learned that many of the exhibits of the western provinces had not been filed. Orders went out immediately from the board to all parties to file the exhibits by the 25th October.

As soon as these exhibits are filed—I am speaking now as an individual member of the board, and any other member can add anything he thinks should be added to what I am now saying,—and the records closed, and the issues joined, a day will be considered for final hearing.

The time of the board has been fully occupied.. This telephone case has not by any means been completed. Those who are interested in the coal inquiry are asking the board for an appointment, and if our consideration is to be of any advantage to Ontario and Quebec in connection with the movement of coal to these provinces, surely the board ought to get at it before the cold weather takes its grip over the whole country.

Not one member of the board has taken a vacation this summer—I do not urge that any notice should be taken of that—but the amount of work the board has had to go through is some justification, if any justification is needed, for the condition in which many applications are now found to be.

Letters are coming to the board from various sections asking why their applications are not being given attention. We are naturally anxious that people should understand why matters which undoubtedly are of importance have not yet been determined. Many things pressing upon the board at the present time, have rendered it impossible for us to give attention to these important matters, although it would have been pleasing to the board to have been able to do so.

As soon as exhibits referred to are filed, or as soon as the time has expired in which we have directed them to be filed, the board will take up the question of settling them and fixing a date for the final hearing of the freight rate investigation and other matters involved.

In some quarters it has been said that the board has delayed its judgment in this case. There is not the slightest foundation for such statement. It is clear that no judgment as such could be issued since the board was evenly divided, and that the opinion of each member was expressed without delay.

It has also been remarked that the benefit of the reduced rates on the movement of grain, as provided by the legislation of 1925, was not available for last year's crop. It must be remembered that the board without delay directed that such rates should be put in, and that the dispute as to whether the railways had complied with such order was not at issue before the board until February. And, as before stated, the opinion of the members of the board was expressed without delay, with the result that an order was impossible and will be impossible until the general freight rate investigation is completed.

The Assistant Chief: After the very clear statement of the chief commissioner, I do not know that I can add anything. Whatever considerations weighed with regard to the fixing of the general hearing must weigh in regard to this.

I appreciate the very clear manner in which Mr. Cannon always puts forward his position. At the same time I can not see how the hearing of this application can be disassociated from the general hearing of the freight rates investigation.

The Deputy Chief: I have nothing to add to what the chief commissioner and the assistant chief commissioner have said. I fully concur with the reasons that have been given, the absolute statement of fact made by the chairman of the board, which will be revealed by the files of the board.

If the representatives of the western provinces had been able—I do not blame them—but if they had been able to comply with the undertaking that they had taken in the west and filed these exhibits and given a copy of them to the railways concerned, I think they might have helped us in saving a few weeks' time. Having received the promise that these exhibits would be filed, they appeared before us on the 4th of October and complained that they had not received these very voluminous and bulky statements, and that they were unable to come to a final hearing until such times as the exhibits had been filed with them. Orders have been issued for them to immediately comply, and after October 4th, whether these exhibits are filed or not, speaking only as an individual member of the board, I would feel very strongly against another postponement.

Mr. Cannon: That is what I was going to suggest.. We are not in default in filing exhibits. Our case is practically ready for hearing. If the Quebec Harbour Commission's case is to be postponed indefinitely, as long as these very numerous exhibits have not been filed, we are afraid that we can not be heard before next year. Nobody can tell when these exhibits will be filed.

The Deputy Chief: This far, even if the exhibits had been filed it would not have affected the situation very much, because the time of the board has been fully taken up. Thirty days notice has to be given to all concerned.

Mr. Cannon: I quite understand that, sir.

The Deputy Chief: And that thirty days' notice must of necessity postpone the hearing for another thirty days from the date on which it will be set for hearing, and therefore I

was in hope that on the 4th of October, when the railways would be summoned, they would be in a position to accept a date on which to proceed and thirty days beyond as the final date when the hearing would be proceeded with.

Unfortunately we have not been able to set a date, and we shall be unable to set a date until after the 25th of October, but after that date I am strongly of the opinion that the earliest possible date should be set.

Commissioner Boyce: I am in accord with the facts and with the spirit of the observations made by the learned chief commissioner.

Commissioner Lawrence: I have nothing to add to the statements already made. I think they are correct and that they properly explain the situation.

Now we come to the viewpoint of the only representative on this board who comes from western Canada. I want you to listen to this:

Commissioner Oliver: I am very sorry to say that I have to disagree entirely with the view expressed by the chief commissioner. It would appear to me that the line of argument taken assumes to place the responsibility for the delay in handling the general freight rates investigation upon the delays which have occurred in connection with the special inquiry regarding western grain rates.

There is, in my opinion, no such connection. The general freight rates inquiry was authorized by an order in council of, I think, June 8. On June 27 an act of parliament was passed, which applied solely to east-bound grain rates from the prairie provinces to Fort William, and so far as the terms of the order are concerned, did not apply (with all due respect to the chief commissioner)to the rates between Fort William and Quebec.

That act of parliament being passed after the order in council for the general freight rates inquiry (if parliament is the superior authority) must have taken the subject of grain rates east-bound to Fort William out of the general freight rates inquiry and placed it for consideration as a subject separate from the grain rates inquiry, to be dealt with as a separate subject.

In regard to the hearing which took place on September 29, 1925, with respect again to the statement made, that hearing, in my understanding. was not a hearing in regard to grain rates east-bound, but a hearing in regard to grain rates west-bound, following upon an order of the board which had been passed upon the previous 2nd of September. As a matter of fact the hearing of September 29 was an appeal from the order of Septembr 2, passed by the board, and had no relation to the general freight rates inquiry; it had no governing relation to the question of east-bound freight rates. The question of east-bound freight rates came before the board at a full hearing beginning on the 16th of February. The hearing was very full, there was a representation by the two provinces of Saskatchewan and Alberta, the railway companies were represented, the argument was made, and the solicitors for the provinces moved for judgment, urged judgment being delivered, demanded that judgment be delivered, but judgment was not delivered. Had judgment been delivered in that case at that time, that case would be off the records, and it would not now be considered to be interfering in any way with the general freight rates inquiry or with the rates on grain from Fort William to Quebec.

Because it was not disposed of then, it is still of course cumbering the record and interfering with the transaction of other business.

I submit, with all respect to the deputy chief commissioner, that the failure to give judgment at that time was not the fault of the western provinces in any way, shape, manner or degree. Nor was the failure to give a decision dependent upon or resulting from a tie on the board.

If the business of the country is to be tied up by a tie on the board, certainly the usefulness of the railway commission is decidedly limited. Because there was a tie on the matter, or if there had been a tie on the essential question before the board, that does not say that there should not be a decision. The decision might be one way or it might be the other, but a decision was what was demanded by one of the parties to the case who are to-day blamed for not having had their case ready, or being reseponsible for the present postponement.

To that I take the most decided objection.

Now, sir, I have taken a great deal of time in reading these documents into the record and for the reason that I want these matters to be published in proper sequence in such an authoritative manner that no one shall have any doubts hereafter as to what actually took place.

Now I want to go back to some rather ancient history and to give some quotations from Hansard of 1902. First of all let me quote from a speech delivered by Hon. A. G. Blair, Minister of Railways and Canals at the time, as set forth at page 2437 of Hansard, on the occasion of the creation of the railway commission:

We have thought it necessary, in constituting a commission of this kind, that it should be so constituted as that we will be able to secure the very best material which our country affords for this purpose. We feel that we ought to afford the widest possible opportunity within it to make the choice, because, Mr. Speaker, as this question impresses itself upon my mind, the character, the capacity, the wisdom and the selection of the men is everything. Unless this country can afford us men of the right stamp, men of independence of character, of firmness, and of fairness, men who have experience in business, experience in railway operations, experience in law, unless the country can afford us these conditions, then, we cannot look with any reasonable hope to find that the operation of the commission will be successful.

Then again at page 2439:

We think it is desirable; indeed we think it imperative on us to prevent the possibility of persons who feel they may have grievances against railways not being able to have their cases determined within a reasonable time. We have therefore asked parliament to say that the decision of this tribunal shall be final, subject only to revision by the privy council, and that there shall be an appeal to no other tribunal.

In the same volume of Hansard, at page 2453, Mr. T. O. Davis, formerly representative of Prince Albert, later Senator Davis, now deceased, spoke as follows:

As I have stated before in this House, it is a well known fact that the trade and business of this country have grown at such a rate that it is impossible for the railway committee of the privy council to handle the business it should handle in connection with matters of this kind that come before it. As a matter of fact we know, from our own experience in the west this year,—

That was twenty-five years ago:

—that the people there have lost a great amount of money from the fact that we have had no body of this kind to regulate the railways of the country.

We want a body appointed that will see that there is no discrimination in rates.

Now, Mr. Speaker, I have given these two quotations with the object of showing what was in the minds of those responsible for the passing of this legislation. And who was more capable of passing an opinion on a matter of this kind than the late Hon. A. G. Blair? He recognized that there must not be delay, that when a matter of this kind comes up before some body that body must be a capable one, it must be trained in the law, it must be trained in business. But the thing on which the statesmen of that time were unanimous was that there must be no delay in giving out decisions. What have we got in this particular case? Here we have a board and it is now investigating grain rates. I want to differentiate this afternoon very clearly between the general freight rates inquiry and the statute making the Crowsnest agreement rates apply over a wider territory. The order in council passed on the 5th of June directed that there should be a general freight rate inquiry and to that, of course, I take no exception. But on 27th June, 1925—and if you notice it is now over twenty months since that was done—the parliament of Canada by statute said that the rates under the law of 1897, the Crowsnest pass agreement, should apply to all the other sections of Canada, and to-day, after a lapse of twenty months, those rates do not apply. It is true that several hearings have taken place. The hearing of the Bell Telephone Company's application for an increase in rates has taken place. That hearing was started on January 26th, 1926, and we already have the decision by the Board of Railway Commissioners with respect to telephone rates in this part of Canada. What is the difference between the two? The statutory provision in connection with the Crowsnest pass agreement removes a burden from the mass of primary producers in western Canada. The application of the Bell Telephone Company deals with an increase in telephone rates of subscribers in eastern Canada. The Bell Telephone Company application has been heard and decided and the company has been granted permission to increase its rates. The statutory provision based on the Crowsnest pass agreement has not been carried out, and I want to say that when this parliament passes a statute no three members of the Board of Railway Commissioners or any other body has any right to set that statute at nought. The board before whom this hearing took place consists of six members, five of whom come from eastern Canada and one from the west. They divided on a fifty-fifty basis, and because of that the will of parliament is set at nought. Everyone knows that there is at present a discriminatory rate on grain in the northern part of Saskatchewan, the northern part of Alberta, the northern part of Manitoba. But we in Saskatchewan are affected to a greater degree than the other provinces because we ship more grain. It means the application of an additional two cents per hundred pounds on grain moving eastward to all that northern country. This represents to the primary producers, the farmers of that section of country, a loss of between one and two million dollars a year. Why are they suffering this loss? Because the Board of Railway Commissioners have not seen fit, apparently do not wish to do so even at this late date, to permit a statute of parliament to apply to these railway rates. But the Bell Telephone Company have been given permission to increase their telephone rates although there is no specific statute of parliament behind them. If we were now, Mr. Speaker, in the throes of a campaign to raise a victory loan and the farmers of northern Saskatchewan, of northern Alberta and of northern Manitoba were being asked to subscribe to the loan and took, we will say, $2,000,000 of victory bonds, their action would be regarded as most patriotic and the investment would be looked upon as an excellent one. If they subscribed to that—and the farmers in my part of the country subscribed for and took $2,000,000 of those debentures which were splendid, paying debentures—they would then be regarded as most patriotic people for taking an excellent investment. To-day, what do we see? We have the same farmers in that same portion of the country from whom is being taken annually unjustly and unfairly, the sum of about $2,000,000, just because the Board of Railway Commissioners

will not see to it that the railways put into operation the statutory rates as passed by the parliament of Canada.

Perhaps if I speak with some heat I may be pardoned. I am always very happy when I am speaking for the primary producers of this country, and all they ask is that they be given what the parliament of Canada said they should get. I am not arguing that the rates should be higher or lower. That is not the question at all. That question has been settled. We have been waiting for twenty months for these rates to be put into operation and for all we know we may have to wait for twenty months more. We have had two crops move under the discriminatory rates. Is that fair?

I come now to another matter and I want to quote just one more section from the Railway Act. Section 44 states:

> The governor in council may, at any time, in his discretion, either upon petition of any party, person or company interested, or of his own motion and without any petition or application therefor, vary, change, or rescind any order, decision, rule or regulation of the board, whether such order or decision be made inter partes or otherwise, and whether such regulation be general or limited in its scope and application; and any order which the governor in council may make with respect thereto shall be binding on the board and all parties.

Further, section 45 states:

> The governor in council may at any time refer to the board for a report, or other action, any question, matter or thing arising, or required to be done, under this act, or the special act, and the board shall without delay comply therewith.

I understand that an appeal from the Board of Railway Commissioners has been made to the government that the Crowsnest pass agreement as extended shall be made to apply. I am now going to appeal to the Minister of Finance, to every other minister in the House at this moment, and, indeed, to all ministers of the crown that due consideration be given to the appeal made by counsel on behalf of the western provinces. I do not, as a general rule, approve appeals from the board to the government on matters of fact. If we get into a situation of that kind, it will be unfortunate. I do not blame the government for refusing appeals of that character. But here we have an appeal in which all that is being asked is that a statute of the parliament of Canada be lived up to, be adhered to. I am going to urge again that this government give consideration to the appeal made, and that it direct that the Board of Railway Commissioners render judgment accordingly and see that all discriminations are removed.

What is the situation? We have before the Board of Railway Commissioners all the tariffs filed. We have gone to the limit. We have an array of counsel in the city of Ottawa before the board and all they are doing is bringing up all kinds of technicalities. This board should be primarily a business organization with some law in it. On the contrary it is, as at present constituted, a legal institution with practically no business in it. We want to have this condition of affairs reversed. I have always had and I hope I shall always have the greatest respect for the legal profession, but at the same time we have too many technicalities creeping into this board, which has too many lawyers on it. This board was created for the purpose, not of bringing in all kinds of technicalities, but of hastening decisions.

What is required to be done with regard to the statutory rates is simply this. Every schedule of the railways was available to the Board of Railway Commissioners and the statute said: There shall be no excuse for discrimination. Surely it was not necessary with those schedules before them to have all the counsel from western Canada come to Ottawa and have the board examine them. Some good might have been accomplished by their sitting down without any counsel and finding out whether discrimination existed. They cannot say that the trouble is that they did not have counsel, because, heaven knows! we sent enough counsel down. The counsel are here, but what are we getting? I have taken a long time to place these facts on the record, but I believe they should be on record and every one should know what has taken place, namely, nothing but unwarranted delay. Before I sit down I again ask the government to request, to demand, from the Board of Railway Commissioners that judgment be issued immediately, or we may have to wait so long that another crop will have to be moved under these discrminatory rates. If we cannot get speedy enough action from the present Board of Railway Commissioners, we must have a new board that will act with promptness.

I am going to make two or three suggestions and the first one is this. The board tell us very frankly that if they divide fifty-fifty, they cannot come to a decision. We must see to it that they cannot divide fifty-fifty, and we must therefore have an odd number on the board. In the second place—and I want to insist upon this as far as I have any power to insist upon anything—I want to see one-half of the board come from western Canada. To-day we have on the board six men, five

of whom come from the east and one from the west, and at this very moment from Fort William and Port Arthur west there are more miles of railway than there are in eastern Canada. Third, I want on the board rather than men of legal minds, men of business capacity who will deal with matters expeditiously, men who will not deliberately set aside an act of parliament.

Unless we get those things, the unrest which we have in western Canada in regard to this matter will not subside, but will increase. We cannot afford to allow a thing of this kind to delay any longer, and I am going to plead once more with the government to see to it that at the earliest possible date the defects that now exist in the Board of Railway Commissioners are removed.

In closing let me say that I am a very staunch admirer of the institution of the Board of Railway Commissioners. I do not know of anything which can replace it; but I have observed, and I am not alone in observing, that during the last several years the board has been getting farther and farther away from being a board and closer and closer to being a court, the very situation it was created to obviate. I remember hearing one of the chief commissioners some time ago, when a poor unfortunate widow came before the board and a lawyer was sent up from one of the big corporations, saying to him: Stand aside; I want to hear what the poor woman has to say. We want more of that spirit on the board, and if we have it, the primary producers will not have to have their representatives in this House taking up the whole afternoon in laying their case before the House, because they will receive prompt justice. Let me again urge the government to take prompt and effective action.

Hon. J. D. CHAPLIN (Lincoln): The hon. member who has just resumed his seat (Mr. Young, Saskatoon) took up the early part of his speech in reading several lectures to different members of the House, particularly the hon. member for Macleod (Mr. Coote), because of the fact that he put on the order paper a resolution which the government finds somewhat embarrassing. He referred to this resolution as a political resolution, and he deprecated the fact that anybody, and especially anyone from the west, should do a thing of that kind. He forgets that at the last session of parliament, almost during the dying hours of the session, one of the very things that was done was to introduce a similar resolution, and just for a moment I intend to refer to it. On the 30th of June, after the Mackenzie King government had been defeated, a resolution was brought in for the purpose of disturbing my friends to my left who had helped to defeat that government. Here is the resolution:

> That the Speaker do not now leave the chair, but that it be resolved that in the opinion of this House the fiscal policy of the government as enunciated by the present Prime Minister when leader of His Majesty's opposition would prove detrimental to the country's continued prosperity and prejudicial to the national unity.

That was the resolution that was brought in, and moreover the hon. member who has just spoken, and who talks of political resolutions, voted for that resolution, as is shown by the division list in Hansard. So he deprecates in others the very thing he did himself only a short time ago.

Mr. YOUNG (Saskatoon): Did the hon. member ask me a question? I would like to say, Mr. Speaker—

Mr. CHAPLIN: Mr. Speaker, I object. The hon. gentleman asked a question, and then he starts out to make a statement. He has taken up two hours of the time of this House, and surely he can keep quiet now for a minute and take a little of the medicine I am going to give him.

Mr. YOUNG (Saskatoon): I thought you asked me a question.

Mr. CHAPLIN: I never asked you a question at all. It was you who started to ask a question, and then went on to make a statement.

The hon. member had something further to say about the tariff board. Oh, he says, we will give them lots of time; we must be fair and reasonable. Now I make this statement: My hon. friend, and many other hon. members for years have been telling the people of the northwest what they could do in fifteen minutes in respect to the tariff; it would not take more than that length of time to decide the whole thing. Give the board a fair and reasonable time? The leader of my hon. friend's party, in a pronouncement made at the Liberal convention in 1919, a good many years ago, told us definitely what his party were going to do. But they are still there; they never did it.

My hon. friend does not always get his own way with respect to the railway board, and he took up a lot of the time of the House this afternoon in reading at length from the records, and he threatens that if this and that is not done there is going to be trouble with the northwest. "We are going to get the same number on that board from the west as from the east," he says, "because of the mileage in our part of the country." Did you ever

hear a more preposterous proposition? "We are going to have half the membership of the board." Is that fair and reasonable? I will leave it to the House to decide how fair and reasonable the hon. gentleman can be. For my part, the tariff board can take all the time they find necessary. I do not mind if they never make a report. They can postpone making their recommendations for ever, so far as I am concerned. One of the things I find fault with the Minister of Finance (Mr. Robb) about is that he had this board appointed which looks like an effort to avoid making a pronouncement on tariff matters by the government, and more than that, after the board is appointed the budget is brought down early so that the government will not have a chance of doing anything about the tariff this year anyway.

Before I say what I have to say on the budget, I want to refer to an address made here a few days ago by the hon. member for Macleod (Mr. Coote), and to some statements that he made. I regret very much that the hon. member is not in his seat to-day; I would much prefer that he were here. A few days ago he placed on Hansard several statements, and right here, Mr. Speaker, let me say that I notice a growing disposition on the part of members to have statements and papers handed to the reporter so that they can be put upon Hansard, contrary to the rules and usage of the House. I have expected the ministers to stop that practice. It is not my place to do it, but I call attention to the matter, and point out that statements have been repeatedly put on Hansard without being read, and some of them are not correct. The one that I am going to refer to is an instance of that.

I looked up Hansard the day after the hon. member for Macleod spoke, and found the statement that he had placed on Hansard without reading it. The statement is not correct. It is very incorrect and irregular; I might use a very much stronger word, Mr. Speaker, but knowing the gentleman as I do, knowing that he has always been fair, I attribute this inaccuracy to his want of knowledge of the subject. I will just quote from page 501 of Hansard what he had to say:

> I have a table here, compiled from the statistics of the Department of Trade and Commerce for the year 1925, and which I will place on Hansard, if I have the permission of the House, showing that our agricultural, vegetable and animal products amount to 56 per cent of our total exports. The table is as follows—

Then the table follows. I had naturally expected, Mr. Speaker, that when the Minister of Trade and Commerce (Mr. Malcolm) followed the hon. member for Macleod, he would correct those figures, but of course the minister was under the disadvantage of not knowing what they were. I will take the figures in the statement one by one, giving only the round numbers.

It shows that our exports in 1925 of agricultural and vegetable products amounted to $443,000,000. Now on examining the returns I find that the items bulked under the heading of animal and vegetable products total $443,000,000, but the hon. member never looked to see what those items consisted of. I am just going to show from another page, for the information of the House, just exactly what those items consisted of that make up this $443,000,000, and which with the animal products comprise, according to the hon. member for Macleod, 56 per cent of our exports.

The first item in this total of $443,000,000 is $78,000,000 of milled products. True, milled products come from the farm, but I submit, Mr. Speaker, that probably three-quarters, or at least two-thirds of the worth of milled products come from the manufacturing; that is plain. I would be willing to concede—just for the sake of argument, although it is not so—that one-half the amount of the milled products be considered as products of the farm—the manufacturing, the barrels, and so on, representing manufactured products. But, Mr. Speaker, there are a whole lot of other items that I do not want to allow the hon. gentleman to consider as products of the farm.

The next item I refer to is canned fruits, nuts, canned, dried or otherwise prepared, $7,800,000. The hon. member takes that as a product of the farm.

Let us take the next item, vegetables, fresh and dried, or canned, $5,400,000. All the sugar made in Canada and exported to the value of $9,000,000 has been taken by the hon. gentleman in order to make his fifty-six per cent.

Mr. KENNEDY: Can the hon. gentleman show where the member for Macleod refers to that as a product of the farm?

Mr. CHAPLIN: Mr. Speaker, the whole basis of his argument was that fifty-six per cent of the total exports of Canada came from the farm. What else could this mean?

Mr. ROBB: I am sure that my hon. friend does not mean to be unfair to the hon. member for Macleod. His criticism should be directed rather against the statistician who prepared these figures.

Mr. CHAPLIN: Not at all.

Mr. ROBB: I think they are quoted as prepared by the department.

Mr. CHAPLIN: Yes, but the compiled figures are given clearly, positively and plainly on page 1464, where all these items are classified, so that anyone that wanted to be absolutely fair, and knew anything about the returns at all, could not help but see the truth.

But that is not half of what I intend to lay before the House. It seems to me, Sir, that a gentleman who puts himself forward as the critic of a party, and quotes from a trade return, should know a little more about that return before making use of it as the hon. member for Macleod did. Besides the items which I have already cited the hon. gentleman has taken all the beverages (alcoholic, brewed, distilled, fermented wines) to the value of $16,000,000, and included them in his fifty-six per cent.

An hon. MEMBER: What about home brew?

Mr. CHAPLIN: Home brew does not get into the returns. He has also included rubber and tobacco to the amount of another $44,000,000 in order to bolster up his argument that fifty-six per cent of our total exports come from the farms. He has taken all the prepared foods and all the bakery products, amounting to another $1,000,000, and miscellaneous items representing another $1,000,000. So the total amount that he has taken under the head of "vegetable products" as coming from Canadian farms and figuring in our exports amounts to $164,000,000. That is a mere bagatelle! In other words, if you assume that all the milled products are manufactured articles, then the percentage of exports of farm products drops to thirty-two per cent. On the other hand, if you allow that fifty per cent of the milled products properly belong to the farm, the percentage of farm products in our export list runs to a shade over thirty-six per cent. That is a fair basis.

Now I come to another line. The hon. member for Macleod includes in the statement that he presented to the House animals and animal products to the value of $163,000,000. Under that head he takes all our fishery products that were exported, amounting to $33,000,000; all the furs that come from the Arctic ocean right down to the lakes, to the value of $17,000,000; all leather and the manufactures of leather amounting to $8,000,000; all oils, fats and waxes, amounting to $3,000,000; all milk and its products, such as cheese, condensed and powdered milk, to the value of $44,000,000. If you divide this latter amount by two and allow fifty per cent to the farm and the other fifty to manufactures, then our total exports of products of the farms amount to thirty-six per cent.

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

Mr. CHAPLIN: Yes.

Mr. GARDINER: The hon. gentleman has charged the hon. member for Macleod with making certain erroneous assumptions in the course of his speech on the budget. Sir, I should like the hon. gentleman to read what the hon. member for Macleod said when he placed the statement on Hansard. This will make it clear that the hon. member for Macleod did not assume what the hon. gentleman is imputing to him.

Mr. CHAPLIN: Mr. Speaker, I have read what the hon. member for Macleod said when he placed the statement on Hansard, but I will read it again:

> I have a table here, compiled from the statistics of the Department of Trade and Commerce for the year 1925, and which I will place on Hansard if I have the permission of the House, showing that our agricultural, vegetable and animal products amount to fifty-six per cent of our total exports.

Mr. GARDINER: Will the hon. gentleman go back a little further in order to get the gist of the discourse of the hon. member for Macleod? Then I think the House will see that the hon. gentleman is mistaken in thinking that the hon. member for Macleod made any such assumptions.

Mr. CHAPLIN: I read his speech.

Mr. GARDINER: Will the hon. gentleman read the earlier portion?

Mr. CHAPLIN: When the hon. member speaks he can make the best case he is capable of. I am not going to read the whole of Hansard for him or anyone else. I know what the hon. member for Macleod said, and know likewise on what he based his argument. What was the object, I would ask, Mr. Speaker, of claiming fifty-six per cent of our exports as coming from our farms on the strength of a statement that shows on its face that the hon. member did not understand what it meant? I know where he took this table out of the book. Unfortunately for himself he did not take the trouble to turn over two or three pages in order to get at the facts. The trouble is that my hon. friends rather than be told the facts of the case would like to show that I am wrong in my argument. I am not making any charge against

the hon. member for Macleod. I did not say that he made the mistake deliberately. I simply say that his statement is not correct. It does not mean what he purported to say it meant, and surely I have a right to correct it. And what is more, Mr. Speaker, a table of that kind should not have been put on Hansard without the permission of the House. It is against the rules to do so, and in future whenever it is attempted, and I happen to be here, I shall object.

I have now a word or two to say in reference to the speech of the hon. member for East Essex (Mr. Odette). The Minister of Finance (Mr. Robb) will be delighted, I am sure, to have the testimony of that hon. gentleman as to how business is in the automobile trade, and no doubt he will like the compliment paid him in that regard. The hon. gentleman, now a member of the House, spent a good deal of time around this building when the Minister of Finance brought down his last budget. I must of course differentiate between what I term his first and last budgets, that is to say, between the first automobile budget and the last automobile budget. When the first automobile budget came down, the member for East Essex came down too. He frequented these galleries. As he himself said in his speech on Friday evening, he was often in the galleries, and as a matter of fact we actually saw him. He was in the corridors also; he was everywhere. Now, I was around myself.

Some hon. MEMBERS: Oh, oh.

Mr. CHAPLIN: Yes, I was around and I had the pleasure of meeting the hon. gentleman. I had been asked by a deputation of manufacturers to introduce them to the minister and I was of course around, as was also the hon. member for East Essex. Most hon. members are no doubt familiar with the type of advertisement that used to appear in the older newspapers extolling the virtues of various remedies, and giving pictures of the patient "before" and "after". I could describe this gentleman before treatment. He was pretty pale and haggard; he was stooped in the shoulders and his mind, quite evidently, was distracted. There were copious tears in his eyes. But you saw him in his seat the other day pretty jaunty. He had come through in fine shape after the treatment; after the first, second and third budgets had come down he began to improve. He was feeling decidedly better. But, as I have said, I saw him when the tears were in his eyes and when he was short on utterance. Now? Why, now he compliments the minister on the wonderful results that have ensued. I can assure the House that he is hardly recognizable as the same man.

An hon. MEMBER: Oh, yes.

Mr. CHAPLIN: If you had seen him at the time I did, at the time of his distress, you would not say that.

Mr. ODETTE: May I ask the hon. member a question? If his company supplied all the wheels for motor cars imported into Canada and had that increased volume of business for his factories, and if he did not export any wheels at all, what position would his industry be in?

Mr. CHAPLIN: That is a pretty involved question. I should be very much inclined to copy the Minister of Finance and advise the hon. member to put his question in writing, for it is so complicated that I do not think anyone on top of this earth could answer it.

Mr. ODETTE: When I was down here last year and made representations to the government, did those representations assist the hon. gentleman's industry as well as my own?

Mr. CHAPLIN: I do not know anything about what representations the hon. gentleman made to the government. I do know, however, that I never asked the government for anything, nor did I sit on the minister's doorstep like some others I know. I did not hang around the corridors week after week with tears in my eyes hoping that something would turn up.

Mr. ODETTE: May I ask another question?

Mr. CHAPLIN: The hon. gentleman has asked enough questions for once.

Mr. ODETTE: This is a question of privilege. I was asked to come to Ottawa by the Minister of Finance and other ministers of the government for the purpose of assisting them in any way possible in the matter of automobiles.

Mr. SPEAKER: That is an explanation. It is not a question of privilege; it does not affect the character of the hon. gentleman.

Mr. CHAPLIN: I fancy there are a good many who might have been asked to come down. I know that when I happened to meet the hon. gentleman there were between forty and fifty manufacturers who had met, no doubt for a legitimate purpose. There was no fault to find with that at all, but I do not think that these other manufacturers hung around here for weeks as my hon. friend did.

The hon. member for East Essex calls upon the minister now to adopt the same principle in regard to these other people as he did in connection with the automobile business. In his speech the other day he said in effect, "Mr. Finance Minister, it worked fine with me. Try it with someone else." We could observe while the hon. gentleman was making his speech that it was a good protectionist utterance and I would recommend to the hon. member who has recently spoken (Mr. Young, Saskatoon), that he get in touch with his friend from East Essex and see which of them will convert the other. In the early stages of the first automobile budget we heard a good deal about the Minister of Finance standing by his guns. I should like to know whether the hon. member for East Essex assisted the minister in doing so. If the truth were known, he rather helped the minister to lie down, instead of standing by, his guns.

The extract from the hon. member's speech to which I referred a minute ago, reads:

> Let me go further. I sat in the gallery when the Minister of Finance told hon. gentlemen opposite that he proposed removing the excise tax of five per cent on motor cars costing $1,200 or less, and that if the manufacturers did not pass that saving on to the buyers of motor cars he would immediately remove the five per cent excise tax on cars imported from the United States or other countries.

Mr. YOUNG (Saskatoon): I rise to a point of order. The hon. gentleman is quoting from a debate that took place this session and I submit he is out of order.

Mr. CHAPLIN: I have a perfect right to quote from a current debate. I would suggest, Mr. Speaker, that you send one of the pages down to the hon. gentleman with a set of the rules. Referring to the reduction in the sales tax, the hon. member said:

> Referring to the reduction in the sales tax, I desire to compliment the Minister of Finance. I believe it is a step in the right direction, but I should like to suggest to the minister that the sales tax on all Canadian-made goods be removed in its entirety, but that the sales tax on imported articles be retained.

Mr. YOUNG (Saskatoon): Mr. Speaker, I would like your ruling on the point of order.

Mr. SPEAKER: If it were not permissible to quote from the present debate, no debate could take place. The rule to which the hon. gentleman refers is one which provides that reference may not be made to another debate which has already taken place during the same session.

Mr. STEVENS: And a debate, Mr. Speaker, which has been closed.

Mr. CHAPLIN: Now I wish to make a few observations directly connected with the budget, but I have no congratulations to offer the minister on anything contained therein.

Mr. ROBB: I am not disappointed, of course.

Mr. CHAPLIN: That does not mean that I have no word of commendation for him at all, because we all know him to be a very fine, decent fellow. I will say that for the short time he took in delivering the budget he should be congratulated, and I can also congratulate him because he left out a lot of political propaganda which appeared in his other budgets. Although in this budget there are several columns of it, but nothing to be compared with what appeared in his previous budgets.

Mr. CASGRAIN: Then he is improving?

Mr. CHAPLIN: Certainly, an improvement for which I have no hesitation in congratulating him.

Mr. SPEAKER: I have found the reference which confirms the ruling which I have just given. If the hon. gentleman will look at Beauchesne, Rule 19, paragraph 234, he will find the following words:

> Besides the prohibitions contained in this rule, it has been sanctioned by usage both in England and in Canada that a member, while speaking, must not:
> (a) Refer to any debate of the same session on any question not then under discussion.

Mr. BIRD: What about paragraph (k), Mr. Speaker?

Mr. CHAPLIN: I am glad that at least industry is to be free from further attacks this session, that for the time being we are to have no more such affairs as took place during last session when the tariff on automobiles was under discussion. I presume the reason for that may be the entrance into the cabinet of such gentlemen as the Minister of Customs (Mr. Euler) and the Minister of Trade and Commerce (Mr. Malcolm), ably seconded by my friend the Minister of Immigration (Mr. Forke).

I notice this year, as I noticed a year ago, that the minister made no reference to an improvement in the cattle trade, and neither did he say a word about the tremendous decrease in that trade. In the year 1924-25, at page 1529 of Hansard, the Minister of Finance stated when submitting his budget that he was short in revenue, as compared with the previous year, by some $50,000,000, and he made a virtue of necessity at that time by telling the people of this country

and the members of this House that he was taking $50,000,000 less from the people, saving them that much in taxes. I say that that particular year as compared with this year shows very similar results in taxation as between that year and the year previous, except that the taxation revenue this year is greater by $50,000,000. I submit that if the minister lost $50,000,000 in revenue and said he had reduced taxation to that extent, when he increased that taxation by $50,000,000 he should say the same thing, namely that taxation has been increased. But he does not do that, and no one will admit it; we are still told that there is a reduction in taxation. Of all the years since this government have been in power, this year there has been the most taxation revenue, yet the government say, "Cheer for us, boys; we have reduced your taxation." All that has been done, Mr. Speaker, is to shift the burden to somebody else. The taxes have been collected, but the money has been spent by this government. Before taxation can be actually reduced in this country the expenditure must be reduced; that is the whole crux of the situation. According to the minister the revenue this year will amount to $343,000,000, the largest amount since this government assumed office.

Mr. YOUNG (Saskatoon): There is more business this year.

Mr. CHAPLIN: And more taxes; I am talking about taxes. I have not noticed any great change in business; there may be a change in connection with wheat but there has been no change in my district. There is more unemployment to-day in my county than there has been in any year during the past ten, and that is saying quite a lot. There are more vacant houses in my district than ever before, and that is also saying something. In saying these things I do not want to deprecate my district but I do not think it does any harm to tell the truth, and I know the same thing has occurred in other cities near me. What is the use of fooling ourselves, when we know the conditions at home? General business may be improving; I do not know whether or not it is, but in my own district I have not noticed any particular increase.

Mr. ODETTE: Is that advertising?

Mr. HOCKEN: That is the truth. You do not want to hear the truth.

Mr. CHAPLIN: Well, I am just doing what the hon. gentleman himself did the other day. I would suggest that seeing he is a new member, one of the pages should go and tell him, that it is forbidden to put advertisements in front of his desk. For a new member he has been advertised about as well as anybody that I know of.

In 1921 the taxable revenue amounted to $368,000,000, but in that year there was $40,000,000 of delayed business war profits taxation. Outside of that one year this is the heaviest taxation year since 1920. And yet hon. gentlemen opposite say that taxation is coming down. There has been a little shifting of income taxation, a lightening of the load here and a putting on a greater load in some other direction. That is all that has occurred.

An hon. MEMBER: The taxation is easier.

Mr. CHAPLIN: I do not know whether it is easier or not. It certainly is easier for members of parliament with an income of $4,000. The taxation was made easier also for those in receipt of smaller salaries. It was made easier also for the salaries that were supposed to be earned by ministers of the crown; they took mighty good care that they came under the lower category. But the widow living on the earnings made by her husband years ago is paying more taxes than she did before. That is how the load has been shifted.

An hon. MEMBER: Three dollars and sixty cents.

Mr. CHAPLIN: It does not make any difference whether it is $3.60 or any other sum. I made the general statement that people of the class referred to paid more and that is true. I repeat, it is simply a case of transferring the load from one set of people to another. The total taxation is $50,000,000 higher than it was two years ago, and yet we are told the taxation is being decreased.

Now, Mr. Speaker, I want to refer for a few minutes to statements made by the Minister of Finance with respect to imports for Canadian industry as set forth at pages 392 and 393 of Hansard. The minister is there reported as saying:

> A detailed classification of the imports is published in the monthly reports of the Department of Trade and Commerce, but, broadly speaking, it may be said that commodities imported for further manufacture show the most pronounced increases. The following table gives the quantities imported of certain goods, classified for statistical purposes as goods imported for further manufacture—

And so on. The object of putting this on Hansard is to carry out a little political propaganda with a view to showing that more raw materials were being utilized, and more

goods in process of manufacture, were being consumed by the people of Canada. Let me refer to just a few of them.

First let me take the case of wool as an example. The Minister of Finance says that the raw wool imported in the nine months of 1926 under review amounted to some eleven million odd dollars.

Mr. ROBB: No, eleven million pounds.

Mr. CHAPLIN: Yes, that is true, eleven million pounds as compared with 9,121,504 pounds in 1925. He did not say that during the same period in 1923 the importations amounted to 13,800,000 pounds. So far as the past two years are concerned we have not gone ahead in the importation of raw materials. What is the position with respect to the total woollen imports? This year they amounted to $36,000,000. In 1922 they were $31,300,000. In other words there has been a falling off in the importation of raw wool, but there has been a gain in the importation of the finished article. I do not know if the minister wished particularly to bring that fact out. At any rate he did not do so, but there it is.

Now let us take another item—I shall refer only to a few of the principal ones—and that is iron ore. The minister told us that our imports of iron ore have increased from 643,043 tons in 1921 to 1,443,874 tons in 1926. Well, all I can say is that for a country which is supposed to be a manufacturing country and where there are millions upon millions of tons of ore lying unutilized, it is a queer commentary for the minister to make that it has increased its imports of iron ore from 643,043 tons to 1,443,874 tons. This government has an invitation from the province of Ontario before it to do something to help the iron industry but it has refrained from doing anything. In that matter this government resembles the seven sleepers, it is still asleep.

The minister also referred to rolling mill products, and he says that the importations have increased enormously. He states that whereas in 1921 the importations amounted to 4,289,497 hundredweight, in 1926 they had increased to 13,780,928 hundredweight, or to put it in tons, from 214,000 tons to 689,000 tons. Now we have rolling mills, I suppose, in almost every province of Canada with the exception of Prince Edward Island, and yet there has been an increase in the importations of rolling mill products of over 400,000 tons as compared with 1921.

Now let us take pigs and ingots of iron. The importations of these have increased from 47,641,400 pounds in 1921 to 81,012,900 pounds in 1926. That is a queer state of affairs in a country where the raw material exists and the necessary facilities for doing work of this kind, are to be found. The minister himself put it on Hansard as something to be more or less proud of.

Another item is copper. Of copper, in the matte or in the raw, we exported practically $10,000,000 worth. We imported of copper products and brass and its products nearly $9,000,000 worth. In other words, we ship our raw product to the United States where it is manufactured, and we bring back to this country about the same quantity of goods, perhaps more, because there may be electrical supplies and matters of that kind, which I have missed.

Another item is zinc which is closely allied to copper. We exported in ore and spelter, some $6,500,000 worth. This is exported principally to the United States and we imported again quite a considerable quantity of spelter zinc in blocks, bars and sheets. Our exportation of the finished product was practically nil. After shipping away our raw material we bring back the finished product.

Another item that appears on the minister's list is automobile engines, and he cites that as a case where goods are imported in order to help in the manufacture of goods in this country. What a commentary, what a statement for a minister of finance to make! He tells us that 7,000 automobile engines were imported into this country in 1921, and 59,000 in 1926. We can make engines in Canada. The minister knows also that in 1921 or since that date a factory to make engines was built in the district from which the hon. member for East Essex (Mr. Odette) comes. Probably $4,000,000 or $5,000,000 were spent on that factory and for the last several years nobody but a caretaker or two has been employed there. This is due to the fact that 7,000 engines were imported a few years ago and now the importations have increased to 59,000 engines. Nearly every one of those engines imported by the concern that owns that factory could have been made there. It is in the power of the Minister of Finance to have those engines made in this country.

Mr. ODETTE: Has the tariff been reduced on automobile engines since 1921?

Mr. CHAPLIN: Most decidedly.

An hon. MEMBER: No.

Mr. CHAPLIN: Why not? But the Minister of Finance will not say that, and I will give the reason.

Mr. STEWART (Edmonton): On automobile engines? On finished cars, yes.

Mr. CHAPLIN: Automobile engines. If the factory that is making the car can comply with the condition requiring 50 per cent to be made in Canada, then the manufacturer will get a further rebate and that rebate is a reduction in duty. The Minister of Finance will not say what my hon. friend has said.

Mr. STEWART (Edmonton): That is correct as regards the finished product.

Mr. CHAPLIN: I repeat that the Minister of Finance has it in his power to make that factory run. All he has to do is to require a slightly greater percentage to be manufactured in Canada. I am not afraid to say to him that I give him credit for having put that manufacturing requirement into effect. I said that to him one day in conversation, and I said further: I will not tell you that on the floor of the House. But I say this now, that when you believe a thing is right, you are entitled to say so. I am neither afraid nor ashamed to tell the minister that he is going in the right direction. I will tell him further that he can have more of these engines manufactured in Canada if that is what he wants, and that without increasing the price to the consumer.

Mr. ROBB: I know my hon. friend is well posted in this subject. I had an idea that the 50 per cent clause of last year would compel the manufacture of engines in Canada. I should like to know if it has had that effect.

Mr. CHAPLIN: As the minister probably knows, the 50 per cent clause has not yet come into effect and we have to wait until we see what actually happens. I am not going to prophesy what will happen.

Mr. ROBB: It comes into effect to-morrow, does it not?

Mr. CHAPLIN: It was 40 per cent last year and that continues until April 1. After the first of April, for the following year the 50 per cent clause comes into effect. I shall be able to tell him better a little later whether it has the desired effect or not. I am not at present able to say, but I hope it will have the desired effect. Evidently the manufacturers are not all figuring that it will, or they would probably have started to get ready at their plants to do something. That is the only thing I have to say in reference to it.

It is almost incredible that a country such as Canada, with the facilities we have, should have to import goods of this kind. I know how the people of the United States feel about this country, and how they feel about using it as a market for their wares. In a report published by the United States Department of Commerce there appears on page 279 a statement, a brief extract from which I should like to read:

> Since 1920 a considerable increase has taken place in the amount of industrial capital invested in Canada, and the largest part of this increase has been absorbed by American investors. This is especially true of certain industries, notably pulp and paper. In addition, the nickel and asbestos production of Canada, as well as many of its timber products, are now controlled by Americans.

In the same edition there is another paragraph that I should like to quote:

> Economically and socially Canada may be considered as a northern extension of the United States, and our trade with Canada is in many respects more like domestic trade than our foreign trade with other countries. The movement of industrial raw materials from Canada into the United States and the return flow of a miscellaneous assortment of partly or wholly manufactured goods is not unlike a similar flow between the west and south, and the most industrialized northeastern part of the United States.

That is what the United States people want. They want to buy our raw material and to sell us the manufactured product. If we are ever going to build up a country worth while, we must have diversified industries. We cannot have one thing alone. We are separated from the United States by a border line which our workers can pass by easily. We in this country who employ labour must pay approximately the wages that are paid in the United States because, if our factory is within ten or twenty miles of the border line and we do not pay those rates, those men will simply move across the line. Consequently you have to pay approximately what they pay there. Now I ask this question: If you have to pay wages that approximate the wages in the United States, how can you allow goods to be imported into this country from Germany or France, or even from England—from Germany, where the wages are one-quarter of what they are here, from France, where they are one-third, or from England where the wages are one-half of what they are here? It simply cannot be done. Then it is a question for us to decide whether we should do away with our manufactures and simply buy in the cheapest market. That might suit certain parts of the country; it undoubtedly would suit certain parts of the country.

Mr. MILLAR: What parts?

Mr. CHAPLIN: Is the hon. gentleman asking that question for information or just to be talking?

Mr. MILLAR: I want information.

Mr. CHAPLIN: Surely he would know that in places where there were no manufactures that would be likely to happen.

Mr. MILLAR: Name one part where they have that desire.

Mr. CHAPLIN: Right in my county I have nine townships of farmers, besides the city, and I know what the farmers there want.

Mr. MILLAR: They would like to see the manufacturers go?

Mr. CHAPLIN: No, indeed, they would not; not at all.

Mr. MILLAR: Name one that does.

Mr. CHAPLIN: I do not say that anybody desires such a thing. What I say is that that would happen if my hon. friend who has just spoken were to carry out to the letter what he has signed and sealed in a pledge given to his party before he came here.

Mr. MILLAR: Oh, no.

Mr. CHAPLIN: Oh, yes.

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

Mr. CHAPLIN: Mr. Speaker, before recess I had about concluded my remarks as to what would happen if we had an all-round reduction in the tariff according to the farmers' platform. Undoubtedly many of our manufacturers would be put out of business. My hon. friend who interrupted me just as I was closing (Mr. Millar) said that nobody on that side of the House desired such a thing to happen. I believe him. But I say that that is what would happen if the farmers' platform were put into effect.

An hon. MEMBER: Make it higher.

Mr. CHAPLIN: If you made it higher you have the assurance that more American factories would come into this country, with the net result that the price of the goods they manufactured would be cheaper to us.

Mr. DIONNE: Will you allow me a question? If you make the tariff higher, when you fall down you will fall correspondingly lower.

Mr. CHAPLIN: Mr. Speaker, that is a wonderful question! It is very much like some other questions with which the time of the House has been consumed to absolutely no purpose. Naturally, Mr. Speaker, if the people who are now engaged in industries are deprived of employment they will have to seek some other work. Probably my friend from Saskatchewan who interrupted me just before recess would object to their going on the land.

An hon. MEMBER: No.

Mr. CHAPLIN: When there was a much larger representation of the Progressive group on this side of the House than there is today I very well remember how hon. members from Alberta, Saskatchewan and Manitoba year after year advised the Minister of Immigration not to bring in any more immigrants.

An hon. MEMBER: We had a good Liberal government.

Mr. CHAPLIN: That was when the advice was given.

An hon. MEMBER: It must be getting better.

Mr. CHAPLIN: I am glad my hon. friend was not here at the time. I know the advice then tendered to the government by gentlemen of the Progressive group was: Do not bring in any more immigrants because we have enough on the land now. But my friends would like to see Canadian workmen taken out of our factories and put on the land, otherwise they would have to seek a living in the United States. A good many of our people have left the country owing to the reductions that have already been made in the tariff, and if any further reductions are made more of them will have to go across the line. If the farmers' platform or the Liberal platform of 1919 were put into effect the same thing would happen. My hon friend from Saskatoon (Mr. Young) said this afternoon that those two platforms were pretty nearly alike, and the Liberals and Progressives in the West do not argue about them. They reserve their argument for this House.

Now, Mr. Speaker, I want to refer to what some of my friends had to say this afternoon anent my remarks respecting the member for Macleod (Mr. Coote). They seemed to think that I had not been fair in my criticism of him. I suppose they will not question what the member for Southeast Grey (Miss Macphail) said about the speech of the hon. member for Macleod. In the course of her address last Tuesday she referred to that speech and built an argument upon it. These are her words:

> In the course of his speech yesterday the member for Macleod (Mr. Coote) gave the proportions of our exports, fifty-six per cent being agricultural and forty-four per cent representing other exports, partly manufactured goods.

Now, I should like to know from my friends who do not entirely approve of my criticism of the hon. member for Macleod whether or not the hon. member for Southeast Grey correctly interpreted what he meant. That is all there is to that. I do not want anybody in this House to think that I have made a charge against any member which is not proper, and if it can be shown that I have done so I shall be the first to get up and apologize.

In closing I want to say just a word or two regarding the result of some of the treaties that this government has put its hand to. We have discussed the treaty with France which we have had on the statute books for a number of years, and I want to direct attention to some of the latest consequences of that agreement. Of the nine months of the present year ending December 31 we bought from France $17,346,000 worth of goods, whereas during the same period we sold them around $7,000,000 worth. During the full fiscal year 1925 we bought from them $18,500,000 and sold them $10,500,000. When this treaty was entered into, imports and exports were practically on a level; to-day our imports from France have increased except for a few items, while a long list of goods we formerly sold them has vanished from our export returns. To-day we sell them wheat and sugar, wood pulp, salmon, lobsters and a few ores such as lead and cobalt, as well as asbestos, coal and tar. In addition to these we sell them two items of manufactured goods, rubber tires and, to some extent, agricultural implements. But goods that we formerly supplied to France, goods that were embodied in the treaty, enumerated by the hundreds, we no longer sell to that country. We are selling to France only the purest raw material while we are buying from them an increased amount of goods, chiefly luxuries, on which we deliberately reduced the duties in order to facilitate the importation of them into Canada. This reduction in duty is now costing the treasury of the country between three and four million dollars, counting in the goods from other countries that came in to take advantage of the French treaty. That is what the treaty with France has cost us. If it is a matter of sentiment and not of business, by all means let us trade with France on that basis; but if we have an eye to business, then I contend that the treaty is bad. I so described it at the time the treaty was drawn up. I said before it came into effect that it would be harmful and it has turned out that way without question. The then Minister of Marine, now Minister of Justice (Mr. Lapointe), who made the treaty, told us at the time wonderful stories about the butter and other commodities we would sell to France. But there has not been a pound of butter sold. At any rate, we have not sold enough of that article to make a smell in a pan. Our trade in cheese is gone and the milk we used to sell to France in canned form we are no longer selling.

We have the latest treaty, the one with Australia, which deserves a comment or two. A year or so ago we taxed ourselves on raisins and currants to the extent of two and a half or three cents a pound. Our friends from the west seem to think it an awful thing as they say, to tax ourselves for the benefit of the manufacturers at home, but in this case we taxed ourselves for the benefit of people in Australia. That is the difference. We pay taxes on four million pounds of currants, and with an advantage of three cents or nearly three cents Australia last year sold us, out of this quantity, 561,000 pounds. During the same period we imported 34,000,000 pounds of raisins, taxing ourselves for the benefit of Australia, and that country sold us less than 1,000,000 pounds out of that enormous quantity. My hon. friends who kicked about this country paying a tribute as they call it, to manufacturers at home do not object to our taxing ourselves for the benefit of Australia. And that is precisely what we have done. We made a treaty in order to facilitate the entry of Australian butter into this market. For the year 1926 there came from Australia nearly 3,000,000 pounds of butter and from New Zealand a little over that quantity. In January of this year we imported from New Zealand 729,000 pounds of butter. I have not the figures for Australia for this month—

Mr. MOTHERWELL: There is none from Australia.

Mr. CHAPLIN: I could not get the returns. Now, Mr. Speaker, I do not intend to take up any more of the time of the House, but I desire to thank hon. members for the courteous attention with which they have followed me.

Mr. JACOBS: Before the hon. member sits down, will he explain how it is that two members of the administration of which he was a member voted last summer for the Australian treaty?

Mr. CHAPLIN: I find it difficult enough to answer questions regarding myself without having to answer for others.

Mr. JACOBS: My hon. friend knows something about the joint and several responsibility of governments.

Mr. CHAPLIN: We do not see anything of it over there.

Mr. WILLIAM IRVINE (Wetaskiwin): From appearances the debate on the budget is drawing to a close, or at any rate is on the last lap. The government, to the best of its ability, has defended its inaction and its reaction, and the party to my right has criticised the budget in the usual manner and put forward its ideas. The group with which I am associated has done likewise. All that I would wish to say on the budget has therefore been already said by my colleagues in this section of the chamber, and I regard the repetition of arguments about as tiresome when it comes from a number of persons as when it comes from an individual. For that reason it is essential for me to make some explanation as to why I venture to speak at all at this time. My object in rising is mainly to reply to an attack which was made by the Minister of Railways (Mr. Dunning) on the hon. member for Bow River (Mr. Garland) in respect of the speech he delivered the other evening. Not only did the minister attack the hon. member in a more or less personal way, but he also attacked the entire farmers' movement, and particularly the group to which I belong. That speech was made on Thursday night last, and it was of such a character that it did not do justice to the argument of the hon. member for Bow River (Mr. Garland); it did not add much credit to the minister who made the attack nor did it reflect much credit on the government in the defence of which he spoke. I think the attack was regrettable, not only because we expected something better from the minister but also because the minister was very well qualified, if he had so chosen, to defend the government and answer the arguments of the hon. member on a much higher plane than he selected. I am bound to concede at the outset of my remarks that in natural gifts as well as in long experience in public life the Minister of Railways is one of the outstanding men in Canadian public life to-day. He was elevated from that obscurity with which I think most immigrants find themselves surrounded to the position of premier of his province, and after serving with considerable distinction in that honoured position he was called to take charge of that most important department which he now directs. These facts emphasize the ability of the hon. gentleman and also mark the fact that his fellow citizens have recognized that ability. With his great gifts and his opportunities to gain knowledge, together with his long experience in public life, we expected a great deal from him when he rose in his seat to explain the budget and to give the reasons for the inaction on the part of the government in implementing their program of promises to the Canadian people. His failure to so much as refer to some of the questions of public importance, after his attention was drawn to them by the hon. member for Bow River, is to be regretted, but the nature and spirit of his reply is even more to be regretted. I was personally very much astonished at the attitude the minister took, the more so because of the exalted opinion of the minister held by the public generally.

First of all I think he escaped from the argument under cover of a smoke screen of his own creation; his flight from the field of argument was anything but dignified, and will not enhance his reputation as a statesman. His smoke screen consisted of a charge, the words of which I want to read. Speaking of the hon. member for Bow River he said:

> . . . my hon. friend's speech was replete with reflections upon the honesty of the motives of other members of the House. I am content in that regard to abide by the record of Hansard.

I am not sure about the imputing of motives; I think it is a rather delicate line to draw, because I notice that in most criticisms of one party made by another, if one should analyze them carefully motives would be found imputed in most cases. Indeed, there may be times when motives are so obvious and so pernicious that they should be pointed out. On the whole, I think a very good rule to observe in this House is to refrain as far as possible from imputing improper motives to any hon. member, and I am certainly in agreement with the minister in attempting to maintain that position. I have read very carefully the speech of the hon. member for Bow River, however, and since the minister said he would call Hansard to witness I wanted to ask him a question. I am sorry he is not now in his seat, but perhaps some of his colleagues will find a single sentence in the speech of the hon. member for Bow River which can be said to impute a motive to any hon. member of this House. I think when the minister was speaking he imagined that he was dealing with the Liberal platform and he spoke in the most general and all-comprehensive terms. When we come to examine Hansard, however, which he called to witness, we cannot find a single statement which would justify the speech he made. On the contrary I point out to the minister that

he did the very thing with which he charged the hon. member for Bow River. I am not going to make a blanket charge; I will make it specific, and I will quote the actual words used by the minister. At page 637 of Hansard, referring to the hon. member for Bow River, he says:

> My hon. friend does love to rock the boat when it is perfectly safe to do so.

Not content with that, a more or less ambiguous statement, the minister enters into a thorough explanation and points out that last year the hon. member for Bow River refrained from rocking the boat because he was afraid he might rock it over, but this year he is attacking the government and supporting an amendment against the government budget because he feels certain that no matter how much he rocks the boat it will not go over. That is imputing a rather base motive to the hon. member for Bow River, more particularly when that gentleman assisted to rock over two boats not a year ago. But let us proceed to the next statement of the minister, at page 638 of Hansard, when he was dealing with the alleged brick for brick policy of the Conservative party. This is what he said in that regard:

> Evidently it has been abandoned in view of the much-heralded attempt to capture votes in western Canada by holding a big convention in Winnipeg next October.

Is not that imputing motives to the Conservative party, of abandoning its policy in order to get votes through this convention. Then on page 640, in answer to a question of the hon. member for Fort William (Mr. Manion) and referring to the Conservative party, the minister said:

> Every one of them has some pet industry for which he wants to have higher protection.

I am rather surprised that hon. gentlemen to my right stood so quiet under that charge, directly imputing that every individual member of the Conservative party had the basest motives which could be attributed by one man to another. Yet the minister had the temerity to charge the imputing of motives in the same speech in which he said these things about another hon. member of this House. In concluding his speech the Minister of Railways, as reported at page 642 of Hansard,—I think he had a sort of feeling that he had gone a little bit too far—said:

> We could debate these matters like gentlemen, but it is pretty difficult to debate like a gentleman with men who consistently take the ground that your motives for differing with them are unworthy motives and objects of suspicion.

I have only one reply to make to that, Mr. Speaker, and it is that a gentleman does not usually find it difficult to be a gentleman no matter how ungentlemanly his opponents may be. As a matter of fact it is only under those circumstances that we find out who the gentleman is.

There is one reason why I take the trouble to answer the minister, and it is to draw to the attention of this House and to the attention of the country the reply which a statesman made in defence of the present government. I want to re-present the arguments which were so eloquently put forward by the hon. member for Bow River (Mr. Garland), and to draw to the attention of the House the reply which the minister gave. Then I want those outside of this House, as well as those inside of it, to read these speeches and see whether the Minister of Railways actually answered the argument or not. Meanwhile I hope the Minister of Railways will never adopt similar tactics again in reply to the hon. member for Bow River or any other hon. member.

I want to follow the main points of the argument made by the hon. member for Bow River in order to show that the reply given was not satisfactory, that the points the minister did attempt to reply to were unsatisfactorily answered, and that his eloquent silence on other points is something worthy of note. The hon. member for Bow River opened his remarks by charging that the present budget was a rich man's budget, and he also referred to the reduction in income tax as the reduction feature of the budget. He went on to argue that since the income tax is paid only by those who have sufficient income to come within the scope of the act, it goes without saying that the reduction in the income tax will favour those who are most wealthy, and indeed it does not affect the poorer classes of the community at all. That was the basis of his charge, that it was a rich man's budget. But what did the minister reply to that? It is an extremely interesting reply; it is worthy of contemplation and profound study. His first argument was that it is very difficult to apply the income tax, so difficult to apply indeed that it is an unsurmountable problem. He quoted, I think, from some individual farmer whom he did not mention and that individual farmer went on to say that "we go to forty dollars' worth of time and trouble to find out that we owe the government $10." Now let me refer the minister to the propaganda of the Liberal party. What does that propaganda say about the tariff tax? Does the hon. minister mean to say that the tariff tax is more easily imposed, more easily and more cheaply collected

than the income tax? I think I have read somewhere in Liberal propaganda that it takes $3 to collect $1 of revenue from the tariff tax. If the minister wants to get away from that difficulty of collection he had better abolish the tariff entirely. But if he really wants to find out how easy it is to collect the income tax, I would advise him to go over to Great Britain and have an interview with the Chancellor of the Exchequer, and I imagine that he will get some very sound advice on that question.

But the next reply that he made to this argument is even more fantastic. On page 640 of Hansard the Minister of Railways is reported as saying that they revised this income tax in the interest of the farmers, and he went on to observe:

> I will be frank enough to say that one of the reasons why I personally favoured an increase in the exemption from income tax to the present level was my conviction that it would automatically eliminate from the sphere of operation of the tax a very large proportion of the farmers of Canada.

Now I appreciate this conviction which the minister had, but I would have appreciated it very much more if he had acquainted us with the process of reasoning by which he arrived at it. He says that under the present tax a farmer spends $40 worth of time in discovering that he owes the government $10. The minister now proposes to reduce the tax by ten per cent which will mean that the farmer will spend $40 and find out that he owes the government $1. And then the hon. gentleman tells us that this reduction was made in the interests of the farmers. The minister did not wipe the thing out so that the farmers would not come under its operation. They have got to make a report to the government officials to discover whether they owe anything under this ten per cent reduction or not, just as they did before. Therefore the reason the minister acted in the interests of the farmer is so obscure, to say the least, that I am unable to detect the hon. gentleman's reasoning. I think he could have done better by increasing the amount of exemption and then increasing the amount of taxation upon the amount fixed. In that way perhaps he would have helped the farmers to better advantage.

Now if the finances of the Dominion warrant tax reduction, a reduction should have been made first of that taxation which falls more heavily upon the mass of the people, that tax which is a decided burden to the agricultural population at the present time—that of the tariff. More especially should this have been done when to accomplish such reduction is one of the professed policies of the Liberal party. The tariff question is the hobby-horse of Canadian politics. I have never ridden that hobby; I refuse to straddle that antiquated mechanism. But in the interests of political honesty we are bound to insist that the present administration either implement the promises that they have made to the Canadian people from time to time. and justify their adherence to a policy of tariff reduction, or else frankly admit that it cannot be done or that they will not do it. The Liberal party surely will not deny that it has committed itself, in the eloquent words of the Prime Minister, to "a downward revision policy." I think that that right hon. gentleman also drafted the chart which led down gradually from the high tariff of the Conservative party to the free trade policy which is peculiar to the Liberals. That chart they started to follow, but through some strange, unexplained reason, they have suddenly abandoned it. It is true that under pressure of the Progressive group in the last parliament they attempted an experiment by reducing the tariff taxes on automobiles, and indeed it was that reduction of automobile taxation that enabled the present party on the right of the Speaker to come into power. During the last election whenever a Conservative candidate mentioned anything about Customs scandal, the Liberal candidate jumped into one of these automobiles and scurried for his life, and the Liberals thereby got into power. I am not, however, overlooking the charge of the Conservative party that the tax reduction on automobiles reduced the revenue of the country, which reduction had to be made up by taxing everybody else that much more; nor am I forgetting the charge that the automobile industry obtained certain concessions which offset the tariff reductions. That is another part of the question which I am not addressing myself to now.

I am content for the present to take the words of the Minister of Finance on this question. He very clearly pointed out that the direct effect of that reduction was that the government collected more revenue and that the automobile industry flourished. That is what the Liberals always contended would happen when they reduced taxes. The minister was, I imagine, very glad to be able to report that what they had anticipated was so in fact. They gained more revenue by reducing the tax and the automobile industry flourished. Does the Minister of Finance know that there are in Canada a number of industries that would like to get some of that prosperity? Does he not know

also that the finances of this country could stand a little more of that revenue coming in so handily and that the people of Canada would be pleased to get at a lower price the goods which these industries are manufacturing? That is the question that I want the government to answer, the question which the Minister of Railways (Mr. Dunning) ran away from when it was placed before him by the hon. member for Bow River (Mr. Garland)? I want any member of the government to answer that question now or to answer it some time before this debate closes.

If they were telling the truth about the automobile business—and I am not for one moment doubting their word—that by the reduction in the tariff on automobiles more automobiles were sold, the business flourished and the taxes collected amounted to more than previously, what is the excuse which the government offers for not repeating that in regard to other industries? That is a reasonable question. It grows out of the professed policy of the government itself; it actually flows out of the philosophy of the Liberal party, and we want to know why they have retarded this prosperity by their inaction. That question still remains to be answered, and I hope the Minister of Railways, when he speaks from now on regarding any question relating to the tariff, will do what he did not do the other day, and answer it to the satisfaction of the House. Now I ask that the government either follow the chart towards the lower tariff goal or frankly state that such a policy cannot be followed.

Some hon. members speaking in this debate said that the present budget was a Conservative budget. I disagree with that. I think this is a typically Liberal budget. It has been defended by a typical Liberal and the policy which the minister announced is also typically Liberal. The budget is typically Liberal becauses it does not do one thing that can be defended from the point of view of Liberal philosophy. If this had been a Conservative budget brought in by Conservatives, I will give them this credit at least to say that they would have defended it on the ground that the industries of Canada required such protection, and rightly or wrongly, very probably wrongly, they would have defended that to the last ditch. But when we ask a Liberal government to defend this budget, what do they say? The last speaker on the Liberal side (Mr. Young, Saskatoon) said that the Minister of Finance was too tired to lower the tariff. The Minister of Railways said that they did not have time to lower the tariff. They had time to leave it alone, did they not? These are petty excuses, unworthy of the history of Liberalism, unworthy of great Liberals, and I think if hon. gentlemen opposite had an eye to the future, they would thank us for endeavouring to press them to be true to their own philosophy. Those are, I say, unworthy subterfuges, unworthy of the hon. gentlemen advancing them.

But a more characteristic excuse even than these was advanced by the Minister of Railways. In reply to the hon. member for Bow River, he said that the second reason why the tariff had not been reduced in this budget was that they did not have all the facts. He charged the hon. member for Bow River with being the type of man who wants the tariff reduced whether he has the facts or not, and he charged this whole group with being of a similar character. We do not mind the minister's raillery, if I may use his own word; but I ask the minister and the government this question If that is the reason why they have not altered the tariff, would it not have been far better if the Liberal party had taken that attitude fifty years ago? It is a fine time now to tell us that they cannot alter the tariff because they have not the facts. Would it not have been better if they had secured the facts before they formulated a policy?

If we look at the literature which their publicists issued in the last election, did they tell the people of Canada: Oh, after we have all the facts we shall see what we can do with this tariff business? Did their candidates say to the people of the west: Oh, after we have all the facts, we will sit down, scratch our heads for a while and see if we can take a little bit off here and add a little bit on there? They did not do that. They went out on a low tariff policy. They did not say: Our tariff policy will depend on the facts and we have not gathered them yet. I am not objecting to the facts being secured; I think it would be a splendid thing to get the facts, but I am simply pointing out to the minister that if he is going to get stuck on facts now, it would have been better if he had got stuck on them a long time ago because far less misrepresentation would then have followed the course of the Liberal party.

Let me now turn to the master apologia of the minister. With that characteristic flourish of his he said: What would have happened if we had actually taken action on flake calcium chloride, nail kegs, Epsom salts, foxes and canaries? He said: Hon. members of this assembly, what would have happened if we had taken action on those things? Well, what would have happened? What is going to happen now that the hon. gentleman did

not take action on these foxes and canaries? The foxes have holes and the canaries have nests, but the farmers of Canada are unable to pay anything on income tax because their incomes are not big enough. Therefore I think it would have been wise if the minister had not made that remark, which is rather unbecoming and which would seem to indicate that either he took the subject less seriously than a man in his position should, or perhaps we may have overestimated his ability. We are left to guess at the policy now to be followed by the Liberal party, and my guess is as good as anybody else's. I want to make three guesses as to what is going to happen to this Liberal policy henceforth, and I am going to guess so comprehensively that I do not think I can be wrong.

My first guess is that this government, when it came to make up its budget for 1927, discovered that the tariff as left by the Conservative government some years ago was the best kind of tariff for the people of Canada. They discovered that they could not disturb that tariff without disturbing the industries of Canada, and so in the best interests of industry, and in the best interests of the people, they refrained from touching the tariff at all. But having discovered that, they would not come to parliament and so state, because if they had done so they would have openly acknowledged the virtue of the Conservative policy, and would have given hostages to their enemy with a vengeance. That is my first guess. I do not know whether it is right or not, and so I am going to cover the field of guessing as to what the government's policy is.

My next guess is that the government, when it started to make up its budget for this year, was convinced that the policy of the Liberal party, that of a revision downwards of the tariff from time to time, was the best policy, and that they sincerely desired to put it into effect; but when they actually came to make up the budget and to implement their policy by tariff reduction they found they could not do it for one of two reasons; one being that they had so many high tariff men in their ranks that they did not dare to lower the tariff, or else this is my second guess —there was so much influence outside the party as to prevent the government taking the action they had promised to take. If that be right, then I argue that the government of the day should have risked its policy on a vote in parliament, should have gone out of power honourably, if need be, and come back with renewed strength to carry out its policy, rather than sit quietly and do nothing but make apologies to the people of Canada for having failed.

I do not know whether the Minister of Railways (Mr. Dunning) or the hon. member for Quebec-Montmorency (Mr. Lavigueur) is speaking for the government in this matter, but I rather suspect that the latter gentleman was giving the true policy of the Liberal party when he spoke, and I think his opening remarks are very significant. I wish to quote them in support of one of my guesses. The hon. gentleman says:

> I consider it an honour to follow the hon. member for Southeast Grey (Miss Macphail), the only lady in the House of Commons, although I do not share her views generally, and particularly so far as the tariff is concerned. She has told us she is absolutely in favour of a low tariff; let me assure her that neither the province from which I come nor I myself can sympathize with her in that regard. We are in favour of protection for industry; we do not believe in a low tariff. I am glad to have an opportunity to-night to state my views on the tariff question. I am pleased to see that the budget this year contains no items of reduction.

I think you will agree with me that my guess number two is a good one, but if that is so, the Liberal party cannot expect to go on forever in that position. There will come a time when they will have to make a break, and they might as well make it now. If the Liberal party has so many high tariff men in its ranks, let them go to the high tariff party, and let the Liberal party, if it is going to stand for anything, come out and stand for it.

There is another possible explanation, although the Minister of Railways denied this emphatically in answer to a question put by the hon. member for Bow River. This guess is that the government intends henceforth to leave tariff adjustments to the advice of the Tariff Advisory Board, and to abandon the policy of downward revisions of the tariff, because if they leave it to the advice of the tariff board there might be an upward revision; we do not know what kind of revision the board will recommend. There is my third guess.

Personally—I am speaking purely for myself, and not for my group at all in this matter —I think that the latter course would be preferable to the one that is now being followed. I do not think that there can be any less hope of a tariff board finding a solution of the tariff question than we can have in either of the old parties finding it. Personally, I have absolutely no faith in either the Liberal party or the Conservative party finding a solution of the tariff problem. They have had sixty years to do it, and will any hon.

gentleman in this House say that we are any nearer to a solution of it now than we were then? We are more hopelessly lost now than ever before. Not one step of real progress can be said to have been taken. Therefore I say, optimistic as I usually am, I am not optimistic enough to continue having faith in the parties in this regard.

May I take the opportunity here, Mr. Speaker, to point out what appears to me to be a very grave danger indeed to Canada, arising from the historic conflict between the Conservatives and the Liberals over the tariff? We are beginning to reap to-day the fruits of the propaganda and of the historic struggle between the two old parties on this matter. We have developed undoubtedly what is known to-day as a west and an east. That is not a geographical division; it is a division of sentiment; it is a division of the people more distinct than could be effected by geography. That division has largely come about through the propaganda of these two parties which I address to-night in this House. Canada, I say, is divided between east and west. The farmers and manufacturers are at loggerheads. We have a struggle between what has been called by some hon. member of this House the robbed and the robbers. Whoever the robbers are, I am not supposed to know, but that is the type of propaganda. Rightly or wrongly, the manufacturers of Canada have been represented in a very bad light by the Liberal propaganda. No later than this afternoon I heard an hon. gentleman opposite stand up and make a charge against the manufacturers of this country. That is the kind of thing that the farmers of Canada have been told for a great many years. They have been told that the manufacturers of this country are interested only in making huge profits at the expense of the farmers, and that the tariff is the means by which those profits are made. The farmers to a very great extent believe that. The farmers say, to use a word that the hon. member for Rosetown (Mr. Evans) is rather fond of using, that the tariff is a diabolical outrage and an imposition. The farmers regard the tariff as it was characterized in the motion of non-confidence that was moved by the Liberal party in the last session of parliament when the Right Hon. Mr. Meighen took office, as being prejudicial to national unity. I wonder whether the party of the hon. gentleman who this afternoon castigated the hon. member for Bow River (Mr. Garland) for the attitude which he took at that time now believes what was then put in that resolution? If the tariff is still prejudicial to the unity of Canada why is not my hon. friend protesting?

[Mr. Irvine.]

Mr. SMITH (Stormont): Would the hon. gentleman be good enough to tell me whether he or any other member of his group have laid before the tariff board any cases for consideration?

Mr. IRVINE: No so far as I know. That is not our business.

Mr. SMITH (Stormont): Why not?

Mr. IRVINE: We are not sent here to lay cases before the tariff board. We are not here seeking to prejudice the board in arriving at a decision on the facts presented to it. We are prepared to lay before the board any information that it may call upon us to furnish.

The Conservative party espouses more or less the cause of the manufacturers, and has regarded the farmers, in the words of one of the Toronto members, as narrow and selfish. The result of this propaganda is that we have political enmity where there should be friendship. We have class war where there should be coöperation. Now that this class war and these east and west factions are beginning to take form, I note a tendency on the part of certain gentlemen outside of this House to make long after-dinner speeches on unity. I think the House will agree with me that it will take more than a few after-dinner speeches, inspired by choice viands and a glass of champagne, to offset sixty years of the type of propaganda to which I have referred. Ever since the days of Sir John A. Macdonald up to the present time the propaganda of the Liberal party has been such as to lead the agricultural population in Canada to believe that our manufacturers are just so many profiteers who use the tariff as an easy way to make money. On the other hand, the Conservative party has taken up the cudgels on behalf of the manufacturers and has spoken of the farmer as being selfish and narrow—more inclined to look after his own class than to regard the welfare of the nation as a whole.

Frankly, I believe that the tariff as now imposed falls more heavily on the agricultural population than on any other class of the Dominion, nevertheless the two old parties have failed to bring any relief or to settle the question in a satisfactory way. In fact they have proved their ability to unsettle rather than to settle it. For this reason I believe that the tariff board could not possibly do worse than what the Liberal or Conservative parties have already accomplished. But if the tariff board is not the proper body to settle the problem then let me suggest to the organized farmers

of Canada outside of parliament and to the organized manufacturers of Canada outside of parliament that they take this matter in their own hands and settle it as it should be settled. There is no doubt about it that our farmers and manufacturers must learn to work together if Canada is ever to amount to anything, and while we leave this major grievance as a football for political parties we are only inciting strife and driving these classes further apart. Therefore I say to the farmers and to the manufacturers of Canada that if the two historic parties will not take the tariff question out of the field of political conflict they themselves should do so and settle it as their own affair. I believe that it can be done, I believe that it must be done. In this connection I want to quote briefly from Wells' latest book, The World of William Clissold:

> I believe that if we can sufficiently develop the consciousness of contemporary business and associate with it the critical coöperation and the coöperative criticism of scientific and every other sort of able man, we can weave a world system of monetary and economic activities, while the politicians, the diplomatists and soldiers are still too busy with their ancient and habitual antics to realize what we are doing.

If that can be done in international affairs, I am sure it will be much more simple to achieve in Canadian affairs, and so I hope that the Conservative party and the Liberal party will cease this old meaningless bickering over the tariff question. Let them place it in the hands of the ablest committee or board that can be formed, and let those men approach it from the point of view of science, let them cease dividing east and west upon this question. The tariff question is prejudicial to national unity only so long as it is made a matter of conflict between our major political parties.

Now let me come to the next question which the hon. member for Bow River (Mr. Garland) dealt with. He presented this query direct to the minister:

> Is the House to take it as the declared policy of the government that it will not reduce the tariff until after the board has reported favouring a reduction?

Immediately the Minister of Railways denies that that is the policy of the government. The hon. member for Bow River thereupon presses his question. Instead of answering it the minister says:

> I have allowed my hon. friend to make at least six speeches.

That is his answer to a most important question. Following this up, the hon. member for Marquette (Mr. Glen)—a new member in this House, and apparently very anxious to treat the government fairly, at the same time seeking to pay due regard to the principles upon which he was elected—asks this question:

> I take it from what the minister said, in reply to my address of yesterday asking for some assurance from the government in the matter, that the policy of the government is in the direction of lower tariffs, and that it is not the intention to abolish the income tax as a permanent fiscal instrument. Am I right in assuming that?

The hon. Minister of Railways replies:

> My hon. friend must not put words in my mouth.

Of course, I think he was trying to put some ideas into the minister's head. Heaven knows he did not need anybody to put words in his mouth; he has lots of them! But that is the answer that a minister of the crown gives to one who is very anxious to lend his support to the government. Is there any assurance in that answer that the government is going to continue its tariff reduction policy? Surely the hon. member for Marquette will not be so easily gulled as to think there is any such assurance.

Mr. YOUNG (Saskatoon): Was that the only answer that the hon. Minister of Railways made to the hon. member?

Mr. IRVINE: So far as I know. Here is Hansard if the hon. gentleman can find a better answer.

Mr. YOUNG (Saskatoon): If the hon. gentleman will read Hansard he will soon find other answers.

Mr. IRVINE: Will you give them to me?

Mr. MacLEAN (Prince): The hon. member should read the full statement of the Minister of Railways if he would be fair to him.

Mr. McMILLAN: You look only for what you want to find. You are not trying to find facts.

Some hon. MEMBERS: Order.

Mr. IRVINE: My hon. friend is talking as a Liberal. Now I want to move to another stage of the argument. The member for Bow River said that the income tax was a war tax and he argued that as such it should not be reduced, and certainly should not be abolished so long as we had not paid the war debt. That at least is a reasonable suggestion. He went on to show that $162,922,000 is called for annually as an expenditure due entirely to the war, and while we have to spend that vast sum each year on account of

the war surely it is reasonable that the income tax, which takes more from the people who are able to pay than from others who are not so well off, should have been maintained towards the payment of that annual charge. What answer did the minister give to this? I hope my hon. friend who asked the question a moment ago will look up Hansard and see whether he can find the minister's answer, because I have not found any answer to that question at all. The minister does refer to Epsom salts and canaries and foxes, but a little item like $162,000,000 as an annual expenditure due to the war does not come within the purview of the hon. gentleman.

Again, the member for Bow River attempted to defend the farmers of Canada against the charge of evading the income tax, and he advanced the explanation that the only reason the farmers did not pay as much in the way of income tax as other people paid was that the farmers did not receive incomes large enough to come within the scope of the act. Which is one of the best reasons I can think of. In this connection the member for Bow River challenged the minister to make an investigation and to give publicity, if necessary, to all the details, and to reveal the whole truth of the matter with a view to exonerating the farmers from this charge, which has been so generally made by the press and by hon. members. Again the minister is eloquently silent.

Next, the member for Bow River charged that the party system is corrupt, and in support of that charge he referred to the evidence taken before the commission appointed by the Liberal party, from which evidence he quoted. The hon. member hight have referred, if he did not do so, to the recent scandals in Athabaska and Peace River. He did, however, allude to the significant words of the hon. member for West Calgary (Mr. Bennett) who on one occasion discussed the question. Then the member for Bow River demanded an investigation into campaign funds, pointing out that, according to our Election Act, corporations were not permitted to make contributions to party expenses, although, in face of this provision, certain corporations, as disclosed in the evidence to which he referred, did make very heavy contributions to funds of the Liberal party. He asked the minister to have that matter investigated. Indeed, he went further than that; he desired to have all campaign funds investigated, including of course those of the farmer members as well as of the rest. Again the minister has nothing whatever to say.

[Mr. Irvine.]

The minister proceeds to state his real object for rising to speak. I quote his words as they are found at page 642 of Hansard:

> My object was merely to set forth as clearly as possible what the tariff policy of the Liberal party is.

That is exactly what we wanted the minister to do. I suggest that it is just possible that the people of Canada know what the Liberal party's policy is about as well as the minister does; and perhaps one of his difficulties some of these days will be the discovery of that fact. There is no doubt in the minds of the Canadian people as to what the Liberal party's policy is: the whole trouble is the inaction of that party. What is wrong is the failure of the Liberal party to implement its policy. The minister goes on to advance the new policy of the Liberal party. I think it was the great Francis Bacon who remarked once something to this effect, that it is of the nature of the mind of man to revel in specious generalities even to the prejudice of truth. And if ever there was a time when that saying was true, it is today in relation to the new policy of the Liberal party. Let me read the statement of that policy:

> We shall move forward cautiously with the aid of knowledge of the facts secured by the Tariff Advisory Board toward the goal of making our tariff structure bear as lightly as possible on production, industry, and the people generally, having always in view the greater prosperity of all the legitimate industries of Canada.

I do not think hon. gentlemen to my right would mind voting for that policy. It is an all-inclusive principle, a typically Liberal platform. It is propaganda, not practical policy. It will read well on the prairies and many people will say, "What splendid statesmen we must have in Ottawa. No doubt this year they will reduce the tariff very materially." Well, anybody could make a statement like this; it calls for no specific action. I would, however, observe this about it; it will have the effect of allaying any fears which might arise among those who are alleged to enjoy protection, for they are assured here that there is not going to be any great hurry in removing tariff barriers. It is going to be done very slowly. I have no objection to moving slowly and cautiously, but I certainly have a great objection to standing still when we ought to be moving. And the present government is not moving; it is quite stationary.

Let me recast the policy of the Liberal party as given to us by the Minister of Railways, as I understand its meaning, and as I

venture to predict it will ultimately be understood by the people of Canada. This is it: We shall stand cautiously, ignoring many facts presented to the tariff board, with the telescope of Liberal principles set firmly on our blind eye. Our policy when in power shall be a carefully drawn verbal string of specious platitudes to which no party in the House can take serious objection, ignoring the protests of the agricultural population, which we are fully aware during election times bears the brunt of the fiscal policy now in vogue, and having in view the continued prosperity of those in whose interests, our propaganda has alleged, the tariff was designed.

That is my reading of the new policy of the Liberal party. There are other political implications of the budget itself to which it might be profitable to make some reference, but I shall not detain the House longer by entering into any prolonged discussion of the budget as a whole. I merely remark however that I notice, inferentially at least, that the Minister of Finance (Mr. Robb) did not hesitate to claim a very great deal of credit for the prosperity which he says now reigns throughout Canada. I do not think we can be said to be really prosperous at present, although we are all glad to admit that there are at least signs that we are emerging from the depression which followed the war. Certainly no one would say that this or any other government should be thanked very much for that. As a matter of fact we do not look to governments to-day, as a general rule, as the source of industrial or commercial well-being. It is true that they can hinder a bit and it is possible that to the same extent they may assist in facilitating trade, but to a very limited extent in each case. However, I notice that in the Liberal propaganda these so-called periods of prosperity are always associated with Liberal regimes. If those who assert such political superstitions were as jealous of their intellectual reputations as they obviously are of their political standing, they would not give voice to such arguments. I am glad that someone pointed out that perhaps the big crop in western Canada and in fact throughout Canada had something to do with this so-called prosperity, although on the other hand while we cannot have prosperity without big crops it is true that we can have big crops without prosperity, as experience has shown. There are two great factors of prosperity, the ability to produce goods and the ability to consume goods, and these are equally important; as soon as we hamper the consumption it is immediately reflected in the industrial stagnation which follows. But a government can have very little direct effect upon prosperity, because in connection with the purchasing power of the nation the government has entirely delegated its powers to others and so can claim absolutely no credit for any prosperity which we may be experiencing.

In conclusion let me say that I am supporting the amendment, and am particularly interested in the last clause which calls the attention of the government and of the House to the failure to make in the present budget any provision for a systematic reduction of our national debt. In that regard I think the only constructive suggestions made so far during this debate came from the hon. member for West Calgary (Mr. Bennett) and the hon. member for Macleod (Mr. Coote). The suggestions of these gentlemen met with a fairly good response in the House, although it is true that many members asked for details right away. I think in that connection perhaps the statement of William Lloyd Garrison might be of interest. He said:

> One who tries to make plain a new reform is quickly made to feel the impatience of those who would master in an hour a subject that has for years taxed the brains of its advocates.

To work out in detail such a proposal at a moment's notice is impossible, of course, but I believe that these suggestions hold something worthy of our consideration, and I believe the time will come when they will be adopted. These suggestions are far more modest than those which I would make, but they are in the right direction and look towards the systematic removal of that burden of debt which at present is intolerable upon the whole industrial life of Canada. I am glad the House has received these suggestions so well, and I trust that in the near future some really serious thought will be given them, that action may be taken thereon.

I would like to see Canada finance herself, because she can do it. The Minister of Finance told us that there was lots of money in Canada, and I do not doubt it; if there is not enough money he will make more, because the Treasury board is making more money every day, with no limits. There is lots of money in Canada, and the banks, the insurance companies and the loan companies have control of it, while we should be able to use it. The greatest advantage in the proposal of the hon. member for West Calgary, so far as I can see, is that we will gradually get out of the clutches of foreign people by paying off those debts, which we will assume ourselves so that all interest will be paid within the borders of Canada, which will increase our

purchasing power by that much and so tend towards the prosperity of the country as a whole.

There is the answer to the argument of the Minister of Railways. I regret that I should have been compelled to speak for so long to deal with so little, but unfortunately I had not the making of the text, nor indeed had I the selection of it. The text was thrust upon me by the minister himself, and he is entirely responsible for its content.

Mr. GEORGE SPENCE (Maple Creek): Mr. Speaker, I rise to say a few words in connection with the amendment, and I wish to express a little surprise and disappointment at the source from which this amendment came. I think it ill-advised and unfortunate; ill-advised from the fact that if the amendment carries this government will undoubtedly be defeated, and if the government is defeated it will either give an opportunity to hon. gentlemen opposite to form a government or will necessitate another general election, and I do not think the country wants any more elections just now.

It has given me much pleasure to see the hon. member who has just spoken (Mr. Irvine) back in the House; he is a countryman of mine and naturally I have watched his career with a great deal of interest; this is not the first time I have heard his philosophy. During his remarks I made a few notes, but I have not had time to analyze his speech and I will only deal briefly with a few of the points he brought out. The thing which struck me most forcibly at the outset was that he is a great economist, because he has given voice to great economic principles here to-night; he is a great political economist, and he is also a great financial wizard. We heard him express his rather faint-hearted belief in our tariff board, and he also said he did not think it was the responsibility of any particular member of parliament to do anything to assist that tariff board. I am sorry, but I must disagree with him there, and I am not the only one to do so. Members of this House have found it not only necessary but desirable in the public interest to make representations both indirectly and directly to the board, but I will deal with that in detail later, and pass on.

My hon. friend said that the tariff has been the subject of political warfare; I agree with him to a certain extent, but he thinks this war may be eliminated by organizations outside of politics, which is rather a strange philosophy. If governments are here for anything they are here to give a square deal, to strike a balance between the various economic or industrial groups in the country. That is one of the functions of government; to see that everybody gets a square deal and that nobody is unduly injured.

Now with regard to the splendid advice which we received from my hon. friend (Mr. Irvine) who has just spoken, his desire to see everybody get together, and his criticism of the Minister of Railways, I am not going to deal with his remarks at very great length. He found fault with the political philosophy of hon. gentlemen on this side, and gave his reasons for thinking that the budget we are considering was not a Liberal budget, and he called upon the government to implement their pledges. I am rather surprised to hear such observations from my hon. friend. I can remember the time when he campaigned against myself in the interests of the Non-partisan League. Afterwards I understand he became a great exponent of the Labour party in this House, and now he sits here representing the United Farmers of Alberta. Wherever you look to-day you can see in the windows of Conservative committee rooms the notification "Wanted, a leader." I have not the slightest doubt but that my hon. friend would make the supreme sacrifice of his life and become a Tory. Then the only thing left for my hon. friend to do in order to box the compass completely would be to walk into a booth on election day and spoil his ballot.

Mr. Speaker, some hon. members in the present and in other debates have put the west, the part of the country from which I come, in somewhat of a false position, in somewhat of a false light. I speak as a western Liberal in saying that we are not here for the purpose of placing our section of Canada in political and economic isolation. We are here for the purpose of meeting in conference with our friends from other sections of this Dominion, of laying our cards upon the table face up, of examining the various problems that arise from time to time in connection with different parts of Canada, and of reaching a solution based on a principle that will be for the good of our country as a whole and not merely for one particular section. It is true that we come from an agricultural section of Canada, and I want hon. gentlemen to remember that when we speak of agriculture we refer to the greatest single economic factor in the Dominion. We have been branded as free traders, sometimes even as annexationists. There is a school of thought, by the way, that would argue to-day that our views on the tariff represent occupational selfishness purely and simply and nothing more. From that view we

heartily dissent, with that view we entirely disagree. We believe in freedom of trade as a principle because we know that the whole trend of modern times is towards the great field of internationalism—not nationalism, not narrow provincialism, but a magnificent economic union of the whole world.

An hon. MEMBER: Where do you get that?

Mr. SPENCE (Maple Creek): Where do I get that? Has my hon. friend been asleep all these years? It dates from the invention of the steam engine. The inception of this world movement dates from that time, and it has been gaining in magnitude all the time. The great inventions of the telegraph and wireless and radio systems, the enormous combinations of capital throughout the world, the inauguration of great transportation systems and improved means of communication, and of the great movements in social work—all have helped to speed it along. Why we read to-day of an occurrence in the city of London or the city of Shanghai with almost the same degree of interest that we do of an event in Montreal or Vancouver.

Not only that, but consider the influence of our great economic bodies. Take for example our labour unions. They no longer recognize provincial or national boundaries; heir field of action extends throughout the entire world. The same thing is true of our great agricultural bodies, which are being drawn more and more into the field of internationalism. Why it was only quite recently that some of the foremost agriculturists in the world met in the city of St. Paul. They had met for the purpose of doing what? For the purpose of establishing an organization that would have no boundaries but world boundaries. These are the forces that are tending more and more to break down artificial boundaries. That is why we believe, as we do, in freer trade and wider markets. Every trade treaty in the world that has been negotiated is an argument for freer trade. And let me say to my hon. friends opposite that every article that is smuggled in or out of Canada is a protest against our tariff.

But to get back to my subject, I want simply to establish the point that we believe in certain principles because it is natural to do so. It is a natural condition that you can no more fight against than you can swim up Niagara. You may dam the current for a time at one point, but it will break out at others. I repeat that we are learning more and more the value of conference. Only recently one of the greatest gatherings that perhaps the world has ever seen met in Europe. And for what reason? To consider the problem of world economics. And that conference resolved unanimously that protective tariffs were among the things that were retarding the peaceful settlement of European problems, and preventing the rehabilitation of those nations that had been engaged in the world war. But I am not going to dwell on that phase of the question.

I wish to deal with the situation as we see it here. And what do we see?? Hon. gentlemen opposite charging hon. gentlemen on this side with being high protectionists. They are doing this time and time again in spite of the fact that election after election a solid block of men comes down here to oppose my hon. friends and their protectionist principles. We know why this is done. It is done for the deliberate purpose of driving in a political wedge between the east and the west. Mr. Speaker, on a recent occasion when we had the honour of enjoying your hospitality at a magnificent luncheon you gave voice to a great truth and it made a tremendous impression on my mind. You said, Sir, that we are all members of a great household. You called it "the Canadian family". What a splendid thought that is! If we could just bear that in mind, how much easier it would be for us to solve some of those knotty problems that engender so much heat and friction.

We use machinery or organization for various purposes. We maintain a police force in our cities for the purpose of preserving order. Recently we have set up a body for the purpose of correcting certain things which we think are working to the detriment of Canadian progress: we have set up an advisory tariff board. That tariff board met for the first time on the twenty-second of April, and had its first public meeting on the twenty-sixth of May. I want you to remember that that board was set up as a result of the unanimous judgment of this House. All those hon. members who are now supporting this amendment voted for that tariff board and lent their support to its creation. Now what is that tariff board designed to do? It is designed to get the facts. Whatever may be said against the tariff one sure thing is that our Conservative friends fastened it on the body politic of Canada. It has been here ever since and has established itself in our economic life. As a result a balance has been created which cannot be disturbed in any particular part without occasioning some injury unless you have intelligent investigation. The tariff board has

been set up for the purpose of making that intelligent investigation. That is the task which has been assigned it, but it cannot fulfil that duty without the support and help of the people who are interested.

I am going to read this amendment. It is moved:

That all the words after the words "That" be struck out and the following substituted therefor:—

"whilst recognizing the advisability of certain minor changes proposed, this House regrets that the budget as presented by the honourable minister of Finance contains no effective provision for the reduction in the high cost of living in so far as such is due to the protective tariff;

"That the budget shows a further departure from the principle of direct and visible taxation based on the ability to pay;

"And further that no systematic effort is being made to reduce our national debt the interest on which absorbs so large a proportion of the revenues of the Dominion."

For the purpose of the few remarks that I propose to make to-night, I am going to use only a part of this amendment and I will read it again for the sake of emphasizing it:

No effective provision for the reduction in the high cost of living—

Where did we hear that phrase "the high cost of living" before?

—in so far as such is due to the protective tariff.

That is a very general and what I would term a very evasive statement. What are the things that enter into the cost of living? There are three—food, clothing and shelter. What would my hon. friend do? What are the specific things upon which he would reduce the tariff? What article of clothing, what article of food, or what article of shelter? If he is sincere, as I have no doubt he is, why is he not more specific? If he is such a great authority, he should know the things upon which he would have the tariff reduced. But in this amendment he makes no such demands. Ah, Mr. Speaker, the reason is not far to seek. He does not make any such demand, because he cannot. He does not know. Why does he not know? He does not know because he has not shown the slightest interest in the investigation as it has proceeded so far before the board. If the hon. member were in his seat to-night, I would ask him what he has done in the way of giving this board coöperation. The Good Book says: "Ye shall know them by their fruits", and that is the standard by which I am going to measure hon. gentlemen to-night. He does not know and he cannot guess. Was he in his place in this House when this tariff board was created? He was; he supported it. But where was he when the great consumers' question of boots and shoes was before the tariff board? If he is such an advocate of this board, if he has such a devoted allegiance to this principle, why was he not before the board when this question of boots and shoes, which is of tremendous interest to the consumers, the common people, was before the board? Why were not some of his party there supporting the interests of the common people?

Mr. EDWARDS (Frontenac): Was the hon. member there?

Mr. SPENCE (Maple Creek): Yes, I was there.

Mr. EDWARDS (Frontenac): Did the hon. member give evidence?

Mr. SPENCE (Maple Creek): I did not give evidence in person but my representative gave it. Just wait, and I will tell the House all about it. The hon. member for West Calgary (Mr. Bennett) is laughing; he thinks this is quite a joke. It is easy for him to laugh, but we are not all in the happy financial position that the hon. member for West Calgary is in.

I want to examine some other applications. I have under my hand the briefs that have been presented before the tariff board in connection with the various applications. As a proof of the things whereof I am going to speak, I will read a letter which is on top of the file. It is addressed to myself, and it is signed in the handwriting of the secretary of the tariff board, Mr. H. B. McKinnon. It reads:

Dear Sir:

At the request of Mr. R. J. Deachman, I beg to forward herewith copies of the briefs filed before this board by the Canadian Horticultural Council, and various sections thereof, in requesting a seasonal duty on fruits and vegetables.

My hon. friend who has moved this amendment and his friends who sit with him and who support it—where were they on that occasion? An item of fruits was being discussed and the blame was being laid on the system of distribution. The question of fruits and vegetables is a very important one to the consumers of Canada. Were they before the board examining witnesses? They were not.

Some very interesting matters came up on that occasion; for instance, we learned that the onion men had come to Ottawa looking for some measure of protection. The onion is a very strong vegetable. By the way, somebody tells me that the member for onions is not in the House. When this case was being heard before the board, the fact was

brought out that it would be cheaper to send these onion growers back home and tell them to grow no more onions—that we would pay them a salary of $3,333.33 a year out of the public treasury—than to give them the protection they asked for. That is one case, and there are many others. I have a list of the various items brought up by the fruit men. I could read them, but the hour is late and I am not going to take up the time of the House.

Let me run over some of the briefs. There is one in connection with the boot and shoe application, another in connection with doors, another in connection with lock bar steel, another in connection with hand sprayers, and another in connection with gloves. There is a vast quantity of material that requires study in order that it may be properly analysed and dissected. While an hon. member may not be doing anything very spectacular or anything that attracts people's attention, he is doing something very useful in appearing before the board in the interests of the common consumers of this country.

Mr. EDWARDS (Frontenac): What action has the government taken on that?

Mr. SPENCE (Maple Creek): I am coming to that. There are fifty-two applications before the board, some of them for reductions, some for increases, and some merely for readjustments. Of these, forty-six applications have been heard. I will give the list:

Reference No.—		No. of Hearings
1	Calcium chloride	1
2	Steel and iron	1
3	Coal and coke	1
4	Pumps and pump parts	1
5	Player piano music rolls	1
7	Nail keg cooperage	1
8	Epsom salts	1

That is another very interesting case and I was present when it was being heard. Now that hon. gentlemen have interrupted, for the purpose of illustration I am going to use it in order to show this House how much gall these people have in seeking protection through the customs tariff. A couple of men came here from British Columbia who had discovered a salt lake and who actually wanted protection on Epsom salts. When they were asked for an argument in support of their application for protection, they said: We have a factory that employs nothing but Canadian labour. We asked them: How many labourers do you employ? They admitted that they were employing only six but they said that at their maximum capacity they would employ ten. Another argument which they used was that they had nothing but Canadian capital. We have heard that term "Canadian capital" before. We asked them how much stock they had authorized and they said: $75,000. Then we asked how much of that was paid up, and they admitted that only $50 was paid up. All they had was their gall, and their salt lake in British Columbia.

The cases that have been heard before the board are as follows:

Reference No.—		No. of Hearings
1	Calcium chloride	1
2	Steel and iron	1
3	Coal and coke	1
4	Pumps and pump parts	1
5	Player piano music rolls	1
7	Nail keg cooperage	1
8	Epsom salts	1
9	Magazines	2
10	Gabardines	1
11	Unbleached cotton	1
12	Beeswax, candles, etc	2
13	Lockbar steel pipe	2
14	Invalid's wheel chair	1
15	Pine doors	2
16	Confectioners' supplies	1
17	Oil tops	2
18	Cordage twines	2
19	Canadian wool goods	
20	Objects of art	2
21	Tin	2
22	Fruits, vegetables, nursery stock	2
23	Wool tops (gloves)	2
24	Corn and cane syrups	2
25	Water wheel governors	2
26	Blue foxes	1
27	Unbound book sheets	1
28	Small hand sprayers	1
29	Embroidered cuffs for gloves	1
31	Vegetable parchment paper	1
32	Rope for deep sea vessel fishing	1
33	Electric light and power	1
46	Boots and shoes	1

A very interesting situation developed with regard to tin. We had on that occasion 57 manufacturers who had banded themselves together to oppose a duty on tin. These 57 manufacturers, mind you, members of the Canadian Manufacturers' Association, were greater friends of the consumer than was my hon. friend from Macleod (Mr. Coote) who moved this amendment. Altogether there have been 46 hearings, and members on this side of the House have been represented at 43 of them—members on this side of the House from one coast to the other who have paid out their good money and given freely of their time to bring evidence before the tariff board and lend their coöperation so that the facts relating to these cases might be brought out.

I have in my hand a very interesting volume. It is the proceedings before the tariff board in a case which occupied one hour of time. It cost a member on this side of the House $14.70. At the same rate, if that hon. member had wished to purchase the evidence

before the board for one day, he would have had to pay about $100, and I raise my voice now in support of the suggestion of the hon. member for Weyburn (Mr. Young) that the evidence taken before the board should be printed and distributed free to members of parliament.

Mr. EDWARDS (Frontenac): Hear, hear.

Mr. SPENCE (Maple Creek): I hear my hon. friend say "hear, hear". I know there might be a little difficulty in connection with confidential information that is volunteered to the tariff board. The strange thing about this matter, Mr. Speaker, is that these fellows squeal on themselves, that one man's raw material is the other man's finished product, and when it comes to raw material they are all like I am—free traders. There may be, I say, some confidential documents that should not be printed. That sort of information is, in my opinion very valuable, and if it was printed the result would simply be to dry up that source of information, but so far as the public evidence is concerned, I think it should be printed and distributed free to members of parliament, because there are some members on this side of the House who read the evidence.

Of the 46 cases heard by the board, 13 have been reported on to the government. Those 13 cases were not all for decreases. Some asked for an increase in the tariff, and they did not get it. About half were for decreases, among them being pumps, invalid chairs, and so forth.

I have had the opportunity to examine the evidence taken in many of these cases, and what do I find? I find a most bewildering interlocking of interests, which brings me back to the point I made a few minutes ago, that whatever the faults of protection may be, it has been the policy in this country for a great many years, and conditions have adjusted themselves to the policy of protection, and therefore any adjustment of the tariff must be gone about intelligently. If you lower or raise any item of the tariff, you immediately interfere with something else, and no worth while revision of the tariff can be made until all the related cases have been heard. That is my point. I state it again: No worth while revision of the tariff can be made until all the related cases have been heard.

Mr. ADSHEAD: How does the hon. member suggest that the expenses in connection with the rebuttal evidence should be met? I know that the hon. member and other members have put up a good deal themselves.

[Mr. G. Spence.]

Mr. SPENCE (Maple Creek): If I am trying to do anything here to-night at all, it is this: I am putting hon. gentlemen of this House on their honour as men, to volunteer their help if they are interested in tariff reductions. So far as expenses are concerned, some of us have been able to keep a man before that tariff board to represent us at 43 different hearings. The money has been contributed by the hon. member for Lunenburg (Mr. Duff) and by other members all across the continent. No man has done more before the tariff board in the way of giving evidence than the hon. member for South Huron (Mr. McMillan); the hon. member for St. Boniface (Mr. Howden) has also given his support, as well as all the members from Saskatchewan, on this side of the House, without a single exception, as have also members from Alberta in the last House, including the member for Wetaskiwin in the last parliament, Mr. Tobin, also the late member for Skeena, Mr. Stork, and last, but not least, my good friend from Comox-Alberni (Mr. Neill), who has taken cases before the board in the interest of lower duties.

Now what of the future? An application has already been prepared and will shortly be handed in asking for a reduction in the duties on sugar, so if the sugar interests of this country have had no warning before, they have it now. I am told that the sweetest morsel in the mouths of our protectionist friends is sugar. It may also be news to some hon. members to know that beans are also coming up, not before the board, but under item 47a, or behind it. We are indebted to our good friend from Weyburn (Mr. Young) for this information, not to those hon. members who are moving the amendment. That is my point. And if they want to know anything about it they will have to ask a member on this side of the House.

Mr. JELLIFF: Mr. Speaker, may I interrupt the hon. member long enough to say that I left my farm home and came to Ottawa to appear before the tariff board in a case where a reduction was applied for?

Mr. SPENCE (Maple Creek): I humbly apologize to the member for Lethbridge. He did appear on one application.

Mr. SPENCER: If I may interrupt the hon. member for a moment, we have been the means of getting in touch with every farmers' organization throughout Canada to secure representation before the tariff board.

Mr. SPENCE (Maple Creek): It is not my nature to disclose confidential conversations, but I am sure the hon. member will recall a conversation which I had with him just before

I left Ottawa last session. The point I make is this. Those who charge us to-night with breaking our pledges to the people, with not doing anything to give relief to the people, have not given us credit for helping the people in the most practical way . I listened to the speech of the hon. member for Bow River (Mr. Garland) with a great deal of care. He is an able speaker and I always like to hear him. By the way he has not been done full justice by the hon. member for Wetaskiwin (Mr. Irvine) and I must come to his rescue. It is a matter of historical record that the hon. member for Bow River did not rock two boats; he rocked only one. True, he rocked that quite dangerously.

Now, Mr. Speaker, faith without works is dead. What we are interested in to-night is results, the money that has been spent in bringing the necessary information before the tariff board so that it may be in a position to base an intelligent judgment upon it, has been furnished by members on the Liberal side of the House. What have my hon. friends who are moving this resolution been doing in the meantime? I think I can indicate pretty clearly by a homely story. You have a fine large substantial house on blocks, and you are anxious to get it down firmly on a solid stone foundation before any storms blow up. You send for an architect. He looks at the house, examines the blocks and ascertains which part of the structure is bearing most heavily on this or that particular block. With this information before him he carefully withdraws a wedge here or inserts a wedge there and gradually lowers the house on to its foundation, where it will stand as a monument to his professional skill. But what are my hon. friends doing over in that corner of the House while this delicate operation is in progress? They are dancing on the roof, they are knocking out a prop here and a prop there, shrieking at the top of their voices, not two of them in agreement, and running the risk of tumbling the whole structure over and killing one another.

In conclusion, Sir, I want to say that this tariff board is one of the most important fact-finding tribunals that has ever been set up in this country, but it can only serve the purposes for which it was created by the facilities which it offers to the great mass of the common consumers of this country to present their views before it; and the extent to which those views are so presented will determine the board's ultimate usefulness. So far those hon. members who are sponsoring this amendment have lent no assistance whatsoever to the tariff board. While professing true allegiance to the cause of a lower tariff, they have done nothing to assist in bringing it about. Are we to believe now that their interest in the great principles for which they have fought has dwindled, and that it finds expression only when the purpose is to embarrass a Liberal government? It looks to some of us to be purely politics, and it may be cheap politics at that. If my hon. friends can extract any kind of satisfaction for their political conscience from such political shadow dancing as that, they are welcome to it as far as I am concerned.

Hon. J. W. EDWARDS (Frontenac- Addington): Mr. Speaker, the hon. member for Maple Creek (Mr. Spence) objects to the amendment proposed by the hon. member for Macleod (Mr. Coote) because he says that if it carry this government would be defeated; and, he adds, the people do not want another election. I am very sure he is correct—the people do not want another election. I am equally certain that members on both sides of the House and of all parties do not want another election right away. But the people want something of far more importance, even if the amendment should carry and the government be defeated. The people want a government which will fulfil and carry out the promises on which it was returned to power.

The hon. gentleman says that the hon. member for Wetaskiwin (Mr. Irvine) has belonged to several parties, at one time to the Labour party and now to United Farmers of Alberta, and he intimates that possibly the hon. member might make a supreme sacrifice by going over to the Conservative party. Well, I am sure, the hon. member for Wetaskiwin will forgive the hon. member for Maple Creek in that he forbore to charge him with ever having been a member of the Liberal party. That is something which I do not think the hon. member for Wetaskiwin would have been disposed to forgive on the part of the hon. member for Maple Creek.

The hon. gentleman says he is a free trader, that he believes in the principle of free trade. Yes, we have heard that frequently from a number of hon. gentlemen on that side of the House—they believe in the principle of free trade, but not in the practice of it. Might I ask the hon. gentleman if he thinks protection is such a vicious thing for this country that it should be done away with? If that is the case, and if free trade is a virtuous thing, why does not my hon. friend, who says he is an out-and-out free trader, take the only logical course—wipe out protection altogether and thus get rid once for all of the vice in favour

of the virtue? He will not take that position now. Evidently he prefers a measure of political vice rather than complete political virtue—and in that respect, of course, he is not alone; he is sitting among those who take the same ground.

The hon. gentleman referred to the tariff board as having been appointed by the unanimous consent of the House. I think he is correct. But, Mr. Speaker, I want to say that if the Liberal party to which he belongs, and of which he is such a shining light, had kept the pledges that it has made from itme to time in its platforms declared before each general election, there never would have been any need for a tariff board. The Liberal party, which has denounced protection root and branch, admitted the principle of protection the moment the Liberal government constituted the tariff board. Every member of the House, no matter how much he may call himself a free trader, so soon as he agreed to the principle of a tariff advisory board gave his recognition and adherence to the principle of protection and of a protective tariff for Canada. There is absolutely no doubt about that.

The hon. member for Macleod (Mr. Coote) has introduced an amendment, the first paragraph of which declares that there has been no effective provision for reduction of the high cost of living in so far as this is due to the protective tariff. I should think that the hon. gentleman who has just taken his seat (Mr. Spence, Maple Creek), and who announces himself a free trader, would at once be willing to subscribe to that particular clause or to any clause the object of which was to reduce the cost of living. If the hon. member for Macleod can show me that the protective tariff does unjustly and unfairly increase the cost of living, I will coöperate with him in an endeavour to have the tariff adjusted in that regard. But I do not agree with the hon. member in what I think he has in mind so far as that is concerned. I believe I can show that the cost of living has been enhanced in this country because the protective tariff has not been followed as it should have been. We have an advisory board to suggest ways and means of adjusting the tariff.

The hon. member for Macleod puts forward another suggestion whereby he thinks the government may reach conclusions in respect of tariff adjustments. His suggestion, I think, is unique. Referring to the tariff on silks and particularly on silk stockings he says that ladies now like to wear silk stockings and that the gentlemen like to see them worn, and he suggests this as a principle to guide the government in framing its tariff. The shorter the ladies wear their skirts, he says, the lower the government should make the tariff. I hope that if the Minister of Finance (Mr. Robb) is at all disposed to be influenced by that particular line of argument he will do his adjusting of the tariff in the winter season, because otherwise some lady politician, very enthusiastic for free trade, might try to influence the government to take the tariff off altogether by appearing in nothing but her bathing suit. I can well understand the uneasiness of gentlemen of the group to my left, as well as of certain gentlemen on the government side of the House.

The Minister of Finance says that we have now a stable government because there is a Forke in the stable, but it has been suggested by someone that the fork is not of very much use because the prongs are broken and the handle is very much twisted. I am interested, and I am sure the House will be interested, in following the political career of the Minister of Immigration (Mr. Forke). It is illuminating. I think it was in 1922 that he replaced the Hon. Mr. Crerar as leader of the Progressive party. On that occasion the hon. gentleman said that the Progressives would plough their own furrow; they would play an independent role. And in an amendment to the budget he suggested slashing the tariff, advocated reciprocity, and so forth. I am reminded of what took place in the year 1923, I think it was, when Mr. Hammell, the member for Muskoka, left the Progressive party and went over to the Liberal side. The member for Brandon, now Minister of Immigration, and those associated with him were not very well pleased with the action of Mr. Hammell. The Farmers' Sun said:

> His going will leave the farmer group smaller in number but much improved in quality.

On reading this recently I wondered what would be the state of mind of hon. gentlemen of the Progressive party now sitting to my left, since the Minister of Immigration decided to quit them and join the other side of the House. Certainly they have lost in numbers, but without wishing to be discourteous at all I do not think the quality of the group has depreciated by the loss sustained. In 1924, under the leadership of the member for Brandon, now Minister of Immigration, a number of Progressives withdrew from caucus, complaining that their leader was not maintaining a clear-cut distinction between their group and the Liberal party in power. Speaking on April 8 of that year the member for Brandon,

addressing the Montreal Board of Trade favoured wiping out all protective duties. I wonder whether he now favours such action.

Mr. FORKE: What are you quoting from?

Mr. EDWARDS (Frontenac): I am quoting from a speech which the hon. gentleman made, but which no doubt he has forgotten. It was delivered on April 8, 1924, and reported in the press.

Mr. FORKE: What press?

Mr. EDWARDS (Frontenac): The newspapers of the day. Does the hon. gentleman say it is incorrect? He does not say it is. He does not deny that he said at that time he favoured wiping out all protective duties.

Mr. FORKE: I never said that.

Mr. EDWARDS (Frontenac): Did the hon. member never hold that view?

Mr. FORKE: I never said so.

Mr. EDWARDS (Frontenac): In the budget debate of that year—this will be interesting to him—the minister said:

If anybody in this House thinks the Progressive movement is done, he is vastly mistaken. We of this group see brighter things ahead.

The hon. gentleman has on several occasions repudiated prophetic vision but I do not think he has done himself justice in that regard. He at least of that group saw brighter things ahead; he saw the cabinet portfolio of Minister of Immigration or something else in the government. That bright vision has materialized. In 1924 the hon. gentleman opposed the Woodsworth amendment as a mere gesture without any meaning, notwithstanding that it was drawn along the lines of an amendment he had himself moved. Addressing the United Farmers of Manitoba in convention assembled, he made the statement that the Progressive party would keep the banner flying. He said:

Whatever changes may take place in the cabinet the Progressive group will remain intact and carry on as in the past.

That was only in 1924. In 1925, speaking in this House, as reported in Hansard at page 3967, the minister said:

I want to compliment the leader of the opposition—

That was Mr. Meighen.

—also upon the definiteness of his statements. He nailed his colours to the mast: there is no question about that. I do not know what will come of it. In looking over the history of Canada during the last twenty years we find that when a party was in opposition—

He was referring to the Liberal party.

—it advocated a low tariff, and when it got into power it might go a little way but not very far in that direction.

Here we see the difference that office has made. We know how strong the hon. gentleman was in his advocacy of a low tariff while he was a member of the group to my left, but now he is in the seats of the mighty his views have changed, just as the views of others have changed in the past. He says now:

Now we have the opposition advocating a high tariff.

Which was not correct.

But I venture to say that if my hon. friends of the opposition got into power they would not make the tariff very much higher than it is at the present moment.

I commend that particular sentence to the consideration of the Minister of Railways, in view of what he said the other day.

In fact, the only possibility I can see of a definite settlement of the tariff question on a low tariff basis will be for the members in this part of the House to take up the reins of government and to put things right in Canada for some time.

He is over there now; I do not know whether he has any of the reins of government but he has landed in the government now and we will have an opportunity of seeing just how strongly he talks along that line in the future.

Another matter to which I might refer and to which the hon. gentleman referred is the matter of the tariff board. Speaking in this House in 1925 the minister said:

. . . if we are going to get a tariff commission that will settle the question of tariffs in this Dominion, it is going to be some task. I have no faith in any such proposition.

He is now a member of the government; is that his opinion to-day? Speaking at Winnipeg on September 16, 1925, note what he says at the meeting of the Progressive executive:

The removal of protective duties upon all necessaries of life and instruments of production is indispensable to the growth of population and development of natural resources.

He also advocated the retention of the income tax without reduction, and he is now a member of the government which is doing just the opposite of that. He was also in favour of an elective Senate, but I venture to say we will hear nothing from him on that score this session.

Here is another matter which is worth calling to the attention of the hon. minister,

and which I know he will enjoy. Referring to rumours of a Progressive-Liberal election pact, the hon. gentleman said:

> Absorption of the Progressives by the Liberals under whatever guise effected would postpone for a generation attainment of necessary reforms, the re-shaping of national policies and the infusion into Canadian public life of that moral courage and idealism which slavish partisanship has well nigh destroyed.

Now they have him over on the other side of the House, drawing the emoluments of office and willing to postpone for a generation or for a life time the attainment of necessary reform; willing to throw to the winds all this idealism, this moral courage which is so important to the country; willing to come under a slavish partisanship which he formerly condemned very strongly.

Speaking at Shoal Lake on behalf of one of the candidates a few days later, the hon. gentleman challenged Prime Minister King to say definitely what he was going to do with transportation, immigration, the tariff and Senate reform. He has an opportunity now to put the same challenge up to the Prime Minister and to back it up with the greater force he now has as a cabinet minister. He viewed with alarm the inclusion of Hon. Herbert Marler in the King cabinet, that gentleman being a protectionist. What does he think now of the inclusion of the Minister of Trade and Commerce (Mr. Malcolm); what does he think of the inclusion of the Minister of Customs and Excise (Mr. Euler)? These gentlemen have expressed time and again their protectionist views; their views were expressed no more strongly than were those of Hon. Herbert Marler. These gentlemen are now colleagues of the Minister of Immigration, and I venture to say that whatever view he held in the past as indicated by his words, he will swallow all those principles and those words; he will eat crow three times a day if necessary, to be in line with the party with which he is now associated. In another speech the hon. gentleman declared that there was no observable difference between the policies of the two old parties; hence the Progressive movement, which he has now left and which he said represented a popular determination to break the bonds of blind partisanship. He has quit all that work now; you can be as blind as you like and as partisan as you like. That movement was also to—

> —secure from any government willing to carry them into effect, those reforms which are essential to the well-being of the primary industries of the people generally.

The hon. gentleman who has just taken his seat referred to the hon. member for Wetaskiwin (Mr. Irvine) as possibly making the supreme sacrifice and joining the Conservative party at some time. Let us see what the Minister of Immigration thought of such a thing. He said:

> I would favour any coalition to get us out of the troubles which face us.

This is what he said about a year ago.

> If the Conservatives are in power and are willing to form a coalition to forward the principles for which I stand, I am quite willing to go with them.

Here is the Minister of Immigration willing to make the supreme sacrifice for the good of his country and join the Conservative party, so long, I presume, as there is a cabinet portfolio waiting when he makes the jump.

I want to make a few references now to the Minister of Railways, who, I regret, is not at present in his seat. The minister accused the hon. member for Bow River (Mr. Garland) of rocking the boat this session. Last session, he said, the hon. member for Bow River was careful not to rock the boat when the Minister of Labour and his colleagues, the Liberal party, were in it. He now says, "We are in a position where we do not care whether or not you rock the boat, you can't upset it anyway." Mr. Speaker, have you ever seen such a manifestation of political ingratitude in your life? Some person has defined political gratitude as a lively sense of favours to come. The attitude of the Minister of Railways to the group to my left last session was very meek and mild, and he was very careful then not to say anything which would disturb their feelings; he was making a bid for their support at that time. On the present occasion, however, he feels more secure, more safe in the saddle, and he says to these gentlemen to my left, "We are quite safe now; you cannot upset the boat anyway and we are going to forget the good service you did us a year ago. We do not need you now, and you can go hang somewhere, so far as we are concerned."

The Minister put the question to the members of the House and said, "How high would the tariff wall around Canada have been if the Conservatives had been in power from 1921?" I might let the Minister of Immigration answer that; he said that if they had been in they would have made no appreciable difference in the tariff. The Minister of Railways said, "Had the Conservative party been here to-day and honestly carried out what they led the people of Canada to believe is their policy, we would have a tariff as high as the tariff now existing in the United States." I would just say in that regard that,

with all due deference to the hon. gentleman, I do not think he believes anything of the kind. I do not think for a moment he believes that if the Conservative party were in power they would copy the ways of the United States, which has the highest tariff in the world. However, he does pay a tribute to the Conservative party when he says:

> We know this at all events, that if the Conservative party was in power they would carry out the pledges they have made to the people.

That is a tribute he pays to the Conservative party. Their record is in marked contrast to that of the party to which the hon. gentleman belongs, because they have never kept their pledges.

Mr. STEWART (Edmonton): What about the "brick for brick" platform?

Mr. EDWARDS (Frontenac): I do not think the brick my hon. friend refers to is any harder than my hon. friend's head or any more impenetrable. There has never been any "brick for brick" policy enunciated by this party as my hon. friend would imply; it has never been enunciated by any member of the party at any time.

Mr. STEWART (Edmonton): Then my hearing is very defective.

Mr. EDWARDS (Frontenac): I do not think it is a defect in the hon. gentleman's hearing, I think it lies in the character or quality of the grey matter that does his thinking. The hon. gentleman should be fair. That policy was never enunciated by the leader of the Conservative party or by any person else in the party. The Conservative party through the mouth of its leader—

Mr. STEWART (Edmonton): Oh, oh.

Mr. EDWARDS (Frontenac): It is an easy thing for the hon. gentleman to laugh.

Mr. STEWART (Edmonton): You are making the speech.

Mr. EDWARDS (Frontenac): Yes, I am making the speech and my hon. friend is laughing—laughing at himself I suppose, at his own silliness or nonsense. That is the only way in which I can account for his actions. I say that the Conservative party, through the mouth of its leader, the Right Hon. Arthur Meighen, said that the farm schedule was the most unfair of all the schedules, and that the Conservative party stood for a policy that would give even justice and fair play to the farmers of this country.

Mr. PARENT: "Brick for brick."

Mr. MILLAR: May I ask the hon. gentleman a question?

Mr. EDWARDS (Frontenac): Surely.

Mr. MILLAR: Did the Right Hon. Sir Robert Borden, in the campaign of 1911, promise that if he were returned to power he would return their natural resources to the western provinces, and did he keep that promise?

Mr. PARENT: He did not do it.

Mr. EDWARDS (Frontenac): I think he did. May I tell my hon. friend that he started negotiations at once in that direction, but the war came along and put an end to that and a great many other things.

Some hon. MEMBERS: Oh, oh!

Mr. EDWARDS (Frontenac): That, I think, is a reasonable answer to give. It is a better reason than any member of this government could give for not returning their natural resources to those provinces.

But to return to the question of a high tariff. The Minister of Railways says there is no doubt which is the high tariff and which is the low tariff party in this House.

Mr. DUNNING: Hear, hear.

Mr. EDWARDS (Frontenac): The minister says "hear, hear." Very well. I should like to quote a statement made in this House by the Right Hon. Arthur Meighen. It is contained in Hansard of 1920, page 2708, and is to the following effect:

> We never can have a high tariff in Canada. We cannot have a high tariff in Canada for the most obvious reasons. In the first place, a high tariff is unsound in principle—

Mr. DUNNING: Hear, hear.

Mr. EDWARDS (Frontenac): The Minister of Railways says, "hear, hear" to that.

Mr. DUNNING: Yes, unsound in principle.

Mr. EDWARDS (Frontenac): All right, we are in agreement there.

Mr. PARENT: We all say that.

Mr. EDWARDS (Frontenac):

> —in that it tends to eliminate one of the factors of competition, namely, foreign goods.

Mr. DUNNING: Hear, hear.

Mr. EDWARDS (Frontenac):

> Foreign goods should be allowed to enter into competition under fair conditions in this or in any other country. But the conditions under free trade or without protection are such that the foreign competitor has every advantage.

In the face of such a direct and explicit statement as that how can my hon. friend make the charge, or insinuate as he does,

that the Conservative party stands for a tariff wall as high as that of the United States? But let me give some further evidence. I do this because of the references made to this matter by the Minister of Railways (Mr. Dunning), in his speech the other day. He had a good deal to say along that line, trying to influence the people of this country to believe, as he and others associated with him have tried to do for many years, and with too much success I must say, that the Conservative party is historically the party which stands for high, unreasonably high, protection, while the Liberal party is the party whose history proves it to be the party of low tariff. Let us examine the matter for a while. Under the Liberals in 1911 the tariff on dutiable goods averaged 28.25 per cent. The tariff on dutiable goods under the Conservatives in 1921 averaged 23 per cent. Which was the high tariff in so far as those figures are concerned?

Mr. DUNNING: What are the years?

Mr. EDWARDS (Frontenac): The years are 1911 and 1921. The last year before the change in government in 1911, and 1921 before the Conservatives went out. On all imports, dutiable and free, the tariff in 1911 under the Liberals was 16.50 per cent. On all imports, dutiable and free, under the Conservatives in 1921 the tariff was 15 per cent. On farm implements under the Liberals in 1911 the duty averaged 20.18 per cent. Under the proposed reciprocity pact the changes would have brought the duty down to 17.33 per cent. Under the Conservatives in 1921 the average duty was 14.64 per cent. I might just interpolate here that under the operations of the United Grain Growers of the west their profits on the same machinery averaged 20.18 per cent.

Mr. DUNNING: May I ask my hon. friend a question?

Mr. EDWARDS (Frontenac): Yes.

Mr. DUNNING: Will he tell us what reduction in farm implement tariffs were made by the Conservative government during the period of years to which he is referring, and which produced the result that the tariff was lowered?

Mr. EDWARDS (Frontenac): Yes. My hon. friend has asked a question which I shall be pleased indeed to answer, and to give him any other information I can, because I realize, and I am sure the members of this House are beginning to realize more and more every day, that the Minister of Railways, notwithstanding his assurance, stands in need of information—badly in need of it. He has asked for information and I will give it to disprove the position which he took when speaking here the other night. My hon. friend asks what the Conservatives have done. There were no tariff changes made in 1912. In 1913 they reduced the duty on cement from 12½ cents, as it was under the Liberals, to 10 cents per hundred pounds.

Mr. DUNNING: That is not a farm implement.

Mr. EDWARDS (Frontenac): If you will just hold yourself in patience I will give you the information you are longing for.

Mr. BENNETT: And which he needs. If anyone needs it he does.

Mr. EDWARDS (Frontenac): Of course if my hon. friend cannot take it all in, if he cannot take in the extras that I will give him, I will be thankful if he will take in what he can. Ditching machines come under the head of farm implements, do they not?

Mr. DUNNING: Do they?

Mr. EDWARDS (Frontenac): Yes, I should think so.

Mr. BENNETT: Not on his farm.

Mr. EDWARDS (Frontenac): The Liberals had a duty of 20 per cent on ditching machines. The Conservative government took the duty off and made them free. Now as for the duty on sugar, to which my hon. friend referred. Under the Liberals it was $1.24½ per 100 pounds and under the Conservatives it was reduced to $1.07¾. Type-setting and type-casting machines under the Liberals bore a duty of 20 per cent. The Conservatives took the duty off and made them free. Binders and mowers under the Liberals were carrying a duty of 17½ per cent. The Conservative government reduced the duty to 12½ per cent; and in that connection I should like to give my hon. friend another bit of information. Until this change was made the duty was 20 per cent; a binder was valued for duty purposes at $80 and therefore paid a duty of $16. The Liberals did nothing from 1896 to 1907. In 1907 they reduced the tariff on binders, reapers and mowers to 17½ per cent, but they immediately placed on the binders a valuation, not of $80 but of $100, so that they collected $17.50 whereas formerly under the Conservative regime the amount collected was $16. That is the way the Liberals had of dealing with and fooling the people of this country.

Mr. RINFRET: And still they vote for us.

Mr. EDWARDS (Frontenac): That is the remarkable thing about the matter, partly explained in the case of the hon. member who made the interruption, by the fact that he is of course irresistible, especially with the ladies' vote. In 1915 the war revenue tax of 7½ per cent and 5 per cent was imposed, but the Conservative party showed consideration for the farmers in that they made an exception of wheat, binders and so forth, while at the same time a special tax was imposed upon banks and trust and loan companies. In 1916 the business profits tax was imposed, and again the farmers in that respect were not hurt, as I am sure every hon. member will agree. The Conservative party showed consideration for the welfare of the farmers of this country by raising—and this was the only tariff item they changed—the duty on apples to 90 cents a barrel, where it has remained ever since and where, I venture to say, the free traders on the other side of the House will leave it.

In 1917 there were no changes. 1918 the excise duty was increased on cigars, cigarettes and so forth, and a duty was placed on tea and also changes were made in the duty on coffee and chicory. In 1919 the war revenue tax of 7½ per cent and 5 per cent was removed from British goods and practically repealed as regards the general tariff. The duty on tea was reduced by five cents a pound; the duty on coffee was reduced by three cents a pound, and wheat and potatoes were made free. The duty was lowered from 20 per cent to 15 per cent on cultivators, harrows, horse rakes, seed drills, weeders and manure spreaders. That is something I am sure the hon. gentleman wanted to know about.

In 1919 the duty was reduced from 20 per cent to 17½ per cent on ploughs, windmills, portable engines, horse powers and traction engines for farm purposes, threshing machines and separators. I suppose the Minister of Railways recognizes those as farm implements, and he will probably, without straining his grey matter too much, recognize the following as farm implements. The duty was reduced from 25 per cent to 20 per cent on hay loaders, potato diggers, feed cutters, grain crushers, fanning mills, hay tedders, field rollers, farm wagons and post hole diggers. The duty on cement was further reduced from ten cents to eight cents a pound, a reduction of 36 per cent from what it was under the tariff of the low tariff party, the Liberals.

The sales tax was raised by the Liberals to 6 per cent and it is, of course, higher than it was under the Conservatives. The two cent cheque tax was raised by the Liberals to one dollar on larger cheques. There was no receipt tax under the Conservatives. The Liberals imposed that; subsequently they removed it, and they shouted their heads off in order to try to secure a great deal of credit for removing it. The amount collected in sales tax, cheque tax, receipt tax, transportation tax, and so forth during the last year of the Meighen government amounted to $73,000,000. In 1923 this party which believes so much in relieving taxation collected $106,000,000; in 1924 they collected $120,000,000; in 1925, $85,000,000, and in 1926, $95,000,000. That is the party of low protection, the party that believes in relieving the people of taxation.

Mr. DUNNING: I am still thirsting for information if my hon. friend would answer another question.

Mr. EDWARDS (Frontenac): The hon. gentleman's thirst is indeed commendable.

Mr. DUNNING: The question is this: In connection with the reductions of duty on farm implements during those years to which my hon. friend has been referring, will he now give us what he gave us formerly in connection with one case, and that is the value for duty purposes, during each of the years to which he has been referring, of the farm implements he dealt with.

Mr. EDWARDS (Frontenac): As my questioner is a man of more than ordinary intelligence—and I am sure he will not dispute that for a moment—

Mr. DUNNING: I do.

Mr. EDWARDS (Frontenac): While I have not the whole list of the values for duty purposes on all the articles, again having regard to the fact that my hon. friend is a man of superior intelligence, I am sure he can arrive at this from the figures which I give him and add further to that knowledge for which he has such a thirst, which I am very anxious to satisfy. He can arrive at it somewhat in this way. For instance, under the Liberal government in 1911 the tariff on a binder was 17½ per cent and they collected $31.92 on a binder. Under the proposed reciprocity pact of 15 per cent they would have collected $27.36. If my hon. friend will get out his pencil he can work that out and find the value for duty purposes. I know he can do it because he is a very clever man. Under the Conservative government the duty was 12½ per cent and the Conservatives collected $22.80 in duty on a binder, whereas the Liberals collected $31.92.

Mr. DUNNING: What years?

Mr. EDWARDS (Frontenac): I am giving the rate of duty in 1921 when the Conservatives went out of power, the rate of duty in 1911 when the Liberals left office, and the rate as proposed under the reciprocity pact of 1911. For the benefit of some hon. gentlemen from Saskatchewan I might say that the Grain Growers' Grain Company exacted a profit of $38.80 on the same binder when they found fault with the Conservatives for collecting $22.80 in the form of duty.

With the permission of the House I will place this list on Hansard, and I am sure the government will give me permission in this case, because this is along the line of the information that the Minister of Railways was asking for. The minister can study the list at his leisure and I am sure it will do him good. The list is as follows:

Farm Implement	Liberal Tariff Rate and Amount of Duty 1911		Reciprocity Rate and Amount of Duty 1911		Conservative Rate and Amount of Duty 1921		Profits of United Grain Growers Grain Company
Binder	17½%	$31.92	15%	$27.36	12½%	$22.80	$38.30
Mower	17½%	10.99	15%	9.42	12½%	7.85	13.18
Horserake	20%	7.00	15%	5.25	15%	5 25	8.82
Hay Loader	25%	22.62	20%	18.10	20%	18.10	19.00
Manure Spreader	20%	25.00	20%	25.00	15%	18.75	26.25
Seed Drill	20%	15.46	15%	11.60	15%	11.60	16.24
Farm Wagon	25%	16.00	22½%	14.40	20%	12.80	13.44
Farm Roller	25%	17.31	20%	13.85	20%	13.85	14.54
Fanning Mill	25%	5.37	20%	4.30	20%	4.30	4.51
Wind Mill	20%	11.42	20%	11.42	17½%	10.00	12.00
Disc Harrow	20%	8.00	15%	6.00	15%	6.00	8.40
Springtooth Cultivator	20%	12.80	15%	9.60	15%	9.60	13.44
Spike Tooth Harrow	20%	4.40	15%	3.30	15%	3.30	4.62
Scuffler	25%	3.00	20%	1.80	20%	1.80	1.89
Traction Engine	20%	.....	15%	.....	Free	.....	Profits
Ditching Machine	20%	.....	20%	.....	Free	.....	21·06%
Average Rate	21·25%	.....	17·6%	.....	14·5%	.....	21·06%
Amount of Duty	.....	$191.29	.....	$161.40	.....	$146.00	$194.63 Profits of U.G.G.

I have referred to the reciprocity pact. That is something to which my hon. friends opposite frequently refer. On various occasions they have bewailed the result of the election of 1911 when the reciprocity pact was defeated by the people of this country. I wonder if there are any hon. gentlemen on the other side of the House who would say to-night that they think it would be advisable to put into effect in this country, in this year 1927, the reciprocity pact of 1911.

Mr. BROWN: Yes.

Mr. EDWARDS (Frontenac): Did I hear "Yes"? Could I get it from somebody higher up? Is there a minister sitting in the front row or in the second row who will say that he thinks this country would be the better for putting into effect the reciprocity pact of 1911?

Mr. DUNNING: Sure.

Mr. EDWARDS (Frontenac): Does the Minister of Railways (Mr. Dunning) say that?

Mr. DUNNING: Sure.

[Mr. Dunning.]

Mr. EDWARDS (Frontenac): Does the Minister of the Interior (Mr. Stewart) say that?

Mr. STEWART (Edmonton): Yes, sir.

Mr. EDWARDS (Frontenac): Well, I guess that will do for the whole list. Now let us see what they have committed themselves to. They say that they think in the interests of this country this reciprocity pact ought to be made effective.

Mr. RINFRET: You would not need any Duncan report if you had reciprocity.

Mr. EDWARDS (Frontenac): This is the point I want to bring to the attention of hon. gentlemen. If they were to put into effect to-day the reciprocity pact of 1911, they would have to raise the duty on very many, nearly all, of the farm implements used in this country at the present time. That is what the Minister of Railways says he is willing to do; that is what the Minister of the Interior says he is willing to do. I ask them to look over the schedules and see the rates of duty

imposed in the agreement of 1911. I say that in half the instances those rates were higher on farm implements than the Conservative tariff was, and the same rates in the other half, and I say that if they were to put that agreement into effect to-day they would be raising the duty on farm implements coming into this country. That is exactly what they say they are willing to do.

Mr. DUNNING: No.

Mr. EDWARDS (Frontenac): I am glad to have these two ministers on record because it will be very useful in the days to come.

Mr. DUNNING: But that is not what we said.

Mr. STEVENS: Oh, yes, it was.

Mr. DUNNING: We will leave it to the record.

Mr. EDWARDS (Frontenac): Oh, no, the Minister of Railways will not leave it to the record. The Liberal's party record in so far as keeping promises is concerned is very well known to the people of this country.

Mr. DUNNING: Hear, hear.

Mr. EDWARDS (Frontenac): It is very well known that the Liberal party has never kept its promises that it made before election, never on any occasion, never since away back of 1896, never from 1878 down to 1896, and never from 1896 down through the other years when they were in power. But they would put into operation the reciprocity pact. What effect would that have upon the farmers of this country? They say that the farmers of this country, under that pact, would have free entrance into the United States for their farm products. That is true. But the United States would also have the opportunity to send their products into Canada. Is that all? No, that is not all.

Under the reciprocity pact, as soon as we opened our doors to the farm products of the United States, we also opened our doors to some twelve other countries, very many of them large producers of farm products, and to all the British possessions in the world. That is what we had to do under the reciprocity pact, and that is what these hon. gentlemen are willing to do now. This is perhaps some information for my hon. friend the Minister of Railways. Under the reciprocity pact we opened our doors to the farm products of the United States, and at the same time, and without any return at all, we opened our doors to Japan, Argentine, Russia, Denmark, Norway, Sweden, Austria-Hungary, Spain, Switzerland, Bolivia, Colombia, Venezuela, and all the British possessions.

The Minister of Trade and Commerce (Mr. Malcolm) the other day put on Hansard a list of the countries showing whether our trade balance with them was favourable or unfavourable. Now our imports, according to that statement from those countries which under the reciprocity pact would have a free entry to our market for their farm and agricultural products, amounted to some $44,000,000; our imports from the United States to over $485,000,000, and from the United Kingdom, to $163,000,000. Of course, the $44,000,000 does not all represent farm products by any means. I merely give those figures as indicating the extent of the trade. The point I am making is this: The manifest unfairness of the reciprocity pact, which the farmers of the country understood sufficiently well to enable them to defeat it, was that while we were getting entrance to one market, that of the United States, we were opening the doors of Canada to the surplus production of the principal agricultural countries of the world, a thing which would be very disastrous, in my opinion, to the future of the Dominion of Canada.

Mr. STEWART (Edmonton): Strange how we have to sell against them in the open markets of the world!

Mr. EDWARDS (Frontenac): The hon. gentleman does not surely confine himself to one product—wheat.

Mr. STEWART (Edmonton): A good many products.

Mr. EDWARDS (Frontenac): Very true. Now let us follow this a little further and see just what it would mean. I will refer to just a few countries—Argentine, Denmark, Russia, New Zealand, South Africa—every one of these countries comes in under the reciprocity pact, which the hon. gentlemen say they think ought to be put into operation, but have not the courage to propose as a measure emanating from this government. Now these countries exported to Great Britain last year 235,733 tons of butter. Hon. gentlemen say that an arrangement by which these countries might send that butter, if they so desired, into Canada, is all right. They would take the duty off entirely against these countries, while these countries maintain their tariff against us. Why, the thing is preposterous. It is even more ridiculous to-day than it was in 1911, because of the improved transportation facilities that we have to-day as compared with 1911. The Argentine is one of the greatest dairy and meat-producing countries in the world to-day, as well as being one of the greatest producers of wheat. Russia

undoubtedly, in the course of time, will get back to normal, and will again become as she was in former days, one of the great competitors of Canada in the markets of the world. Yet my hon. friends opposite say that in their opinion this sort of thing ought to be introduced into Canada, that putting the reciprocity pact into operation would be in the interests of the people.

I would like to refer for a few moments to the vegetable growers of Canada, who have made application to the Tariff Advisory Board for relief, and who have placed their arguments before the board. I have in my hand here the argument which was advanced before the board by Mr. Cecil Delworth, of Weston, Ontario, in which there are a few points that I wish to bring to the attention of hon. gentlemen opposite. To begin with, let me say that in Cleveland a few months ago, last fall I think it was, the United States offered prizes in an endeavour to find out the champion state and the champion grower of two varieties of vegetables, celery and cauliflower. They threw that competition open to Canada, and Canadian growers came home with both championships. It shows that we have efficient producers in this country. But what I particularly wish to draw attention to is that in the United States the gardeners and vegetable growers have three markets, two high priced and one low priced. The gardeners and vegetable growers of Canada have only one market, and that low priced. What are these markets? The United States growers have first the early market in their own country, which is the high priced market. Then they get our early and high priced market. They have also of course the later market in the United States, which is the low priced market. We permit this dumping of American produce, for it is nothing else. The Canadian grower has only one market, the low priced market. This gentleman says that the situation in ten years has had the effect of driving 85,000 of our people from their fruit and vegetable farms. He refers to one or two things which I should like to mention as I think they have an important bearing upon what I said in the beginning, that the lack of protection may be the cause of the high cost of living. He says:

> During 1925 we imported into Canada during the months of April, May, June and July approximately 264,000 bushels of tomatoes, valued at point of shipment at $904,000. This represents only a fraction of the money Canada paid for these tomatoes. You have to add freight rates, brokerage, icing charges and dealers' profits. It is quite within reason to assume that we paid a bill to the United States of nearly $2,000,000 for tomatoes that could have been produced in Canada.

He continues:

> If only one-half of these tomatoes had been produced in Canada it would have given employment from February to May to 1,200 men here.

I want for a moment to show how this works, and I am doing so because I have, in common with many other members, a number of market gardeners in my constituency. Let me quote the exact words of this gentleman:

> Allow me to tell you what happened in the tomato business this year. At the opening of the season the crop in the south was almost a failure and southern tomatoes sold in Ontario at exorbitant prices, Hot house tomatoes went up in sympathy, bringing as high as 70 cents per pound wholesale. A clear case of the public paying through the nose by depending on foreign supplies. Canadian producers, however, soon remedied this situation by large shipments of hothouse tomatoes from British Columbia. The price was cut approximately in half, which is a clear case of domestic production protecting the consumer from extortion by foreign countries. I would point out to you that every dollar paid for those tomatoes remained in Canada, and the brokerage, the freight, the tomatoes and the crates that held them. The Canadian grower, the railroad and the package manufacturer were all made more prosperous by that stroke of business. I would further point out to you that this gave visions to British Columbia growers of an expanded market for their product. It is an item in interprovincial trade which is undoubtedly one of the great factors in linking a country together and insuring its prosperity.
>
> As time elapsed a crop of tomatoes in a more northerly district of the United States began to ripen. This crop was not a failure. A few warm days and a huge surplus of southern tomatoes existed. Brokers in a frantic effort to save domestic markets re-shipped and re-shipped; trainloads of tomatoes began to crowd closer to the border. The invoice value was ridiculously low, the duty therefore was negligible, the additional freight rate on such a long haul was very little, so into Canada they came. Toronto in one week received seventy-three carloads. British Columbia had more tomatoes en route when this happened and they found a glutted market. Someone lost money. All dreams of interprovincial trade were shattered. We were all forced to sell tomatoes below cost of production for weeks. This is not healthy competition.

Mr. YOUNG (Weyburn): What was the date when British Columbia could not sell tomatoes and they were coming in at 70 cents a pound from the States?

Mr. EDWARDS (Frontenac): This refers to 1925, I think.

That is not healthy competition. It is dumping, it is strangulation. We do not ask you

to strangle trade with the United States. We merely ask you to prevent United States growers from strangling our industry by using Canada as a dumping ground for their surpluses. We ask you to insure life for our industry, which is perfectly capable and willing to supply Canadian consumers with a high grade article at a reasonable price.

Now, Mr. Speaker, that is just the position which the Conservative party takes and has taken for years. We say that we should have a protective tariff, not to create monopolies, but to ensure that Canadian tomatoes, Canadian potatoes, Canadian meat, and so on, will be used on Canadian tables and not the surplus products of other countries produced under cheap conditions, for down in the southern states they have cheap negro and Mexican labour; they have not the overhead charges that we have. Surely it would not be the attitude of this government and of this parliament to say: Because some people think we shall have to pay a cent or two more for tomatoes, or some other fruit or vegtables, we do not care where these things come from, we are interested only in the producing of wheat; we are not concerned if our fruit growers are put out of business and lose their capital investment. That may be the attitude of some people, but I think it does not express the attitude of the men of the west. I believe they are too broad and liberal-minded to adopt such an attitude.

An hon. MEMBER: Liberal is right.

Mr. EDWARDS (Frontenac): I was not using the word in a party sense. I would be very sorry to accuse the men of the west of being Liberals in view of the record that my hon. friends opposite have.

Now, Mr. Speaker, a great deal has been said as to whether tariffs are right or wrong. In this connection there is just one phase that I propose to deal with. Back in 1910 a large delegation representing the farmers of the country came down to interview the government of that time. One of the gentlemen on the deputation was a Mr. R. Mackenzie. I think he was secretary of the Manitoba Grain Growers' Association. I am going to quote one of the statements that he made, because it is a statement which has been repeated in this House, and I do not think it should be. He said:

> It is now conceded that the manufacturer adds to the selling price of his commodity the total amount of the protection granted him by the customs duty.

He proceeded to illustrate that statement by referring to boots and shoes manufactured in Canada in 1907 to the value of $20,264,686. In that year we imported boots and shoes to the value of $1,178,749. He said:

> On the imported we paid $353,600, and we also paid because of that duty on the boots and shoes manufactured in Canada just as much as we did on what was imported, we paid to the manufacturers $6,079,405.

That, he says, went into the pockets of the manufacturers. That argument, if I may dignify it by such a description, has been used in this House. It was used here by Mr. Crerar. I want to know if there is a gentleman here to-night who will subscribe to that doctrine that, as stated by Mr. Mackenzie, the total protective duty is added to the selling price of the commodity. Will anyone subscribe to that? Will any farmer representative subscribe to that?

Mr. ROSS (Moose Jaw): I believe that is what is done in this country to a large extent.

Mr. EDWARDS (Frontenac): Well, this is an experience meeting to some degree and I am glad to have the hon. gentleman's testimony. Let us consider it for a moment. We produce in Canada large quantities of wheat and we consume within the borders of the country, for seeding and food purposes, from eighty-five to ninety million bushels a year. We have a duty of 12 cents a bushel on wheat. This argument, therefore, if it applies to boots and shoes, applies to wheat.

Some hon. MEMBERS: No.

Mr. EDWARDS (Frontenac): Why not?

Mr. ROSS (Moose Jaw): Because there is an exportable surplus of wheat; and furthermore the farmers are not organized.

Mr. EDWARDS (Frontenac): So that, according to my hon. friend, the argument applies only where there is not an exportable surplus. I shall have to leave the hon. gentleman to work that out. If that argument means anything it means that the farmers get over $10,000,000 a year extra on wheat because of that 12 cent duty. Take butter: we produce about 300,000,000 pounds of butter a year and levy a duty of 4 cents. We had an exportable surplus last year of about 24,500,000 pounds. According to the argument of Mr. Mackenzie, the 4 cents duty is paid by the people on all butter that is made in Canada as well as on all that is imported.

Some hon. MEMBERS. No.

Mr. EDWARDS (Frontenac): According to my hon. friends the argument does not apply to eggs or anything that the farmer

produces; it has reference only to things that are manufactured. Very well. I have stated my position and I leave it to my hon. friend to wrestle with the question at his leisure.

Even Adam Smith has acknowledged that a protective tariff may result in cheapening production. A common free trade fallacy is that the duty raises the cost irrespective of the volume of production not affected by the duty. That is the free trader's commonest fallacy. Price is determined by supply and demand and the duty can affect it only so far as the untaxed supply does not meet the demand. There are two cardinal errors free traders fall into: one is that the burden of the import duty must fall entirely on the consumer, and the other is that the tariff must increase the cost of the article taxed. Both these assumptions are fallacious; they are wrong, as time and history have demonstrated hundreds of times.

There are two distinct classes of import duties. There are the free trade duties imposed on such things as we do not and cannot produce in this country, such, for example, as tea and coffee. In such cases the whole amount of the duty is paid by the consumer. There is nothing to come in competition with such commodities, because they are not produced within our borders. There is another kind of duty also—protective duties levied on articles which are or can be produced in the country. Here the primary object is to increase home production and give employment. Here only a portion is subject to duty while a greater or lesser portion is free. Here there is active competition between the dutiable and the duty free portions, and obviously the importer cannot pass on the whole duty to the consumer. The extent to which he can do so depends on two things: the extent to which he will be able to pass the tax on depends, first, on the amount of competition between the home producers of the article, and, secondly, the amount of competition between the dutiable and the duty free supplies.

Mr. Bonar Law, discussing this point, used these words:

> The consumer pays the duty they say and I suppose most of them believe that this is an axiom of political economy. It is an axiom only of the platform; it is not an axiom of the study. No economist living or dead ever made such a statement. The extent to which the import duty will be paid by the consumer depends entirely on circumstances, and the chief circumstance on which it depends is the amount of the competition between the duty paying and the duty free supply.

I have heard the question asked, if the duty does not raise the price what is the use of it to the producer? I want to give the words of a political economist in answer to that question, because they enunciate the principle on which the Conservative party stands. The purpose of protection is not to raise prices but to defend and develop the purchasing power of the nation, one of the most important duties of government, and thereby maintain and improve employment, wages, and the standards of living of those dependent directly or indirectly on the nation's producing industries, which means, in effect, the entire population of the country. John Stuart Mill has said:

> The only mode in which a country can save itself from being a loser by the revenue duties imposed by other countries on its commodities is to impose corresponding duties on theirs.

Throw away that weapon and what have you left to protect yourself with? Lord Balfour on December 5, 1923, said:

> I have always been in favour of using our power of putting on taxation on foreign goods where it seemed desirable for the purpose of enabling us to negotiate arrangements with foreign countries upon basis favourable to our own manufacturers.

There is just one other matter to which I want to refer, and I do so because there was a reference made to it in the speech of the hon. member for South Huron (Mr. McMillan) the other day. The hon. member gave a number of interesting figures to prove his contention that the farmers of Canada were more prosperous than the farmers of the United States. He quoted figures in regard to the decrease in the number of farms, and so on—all this with the purpose of showing that the farmers here were better off than those across the line. With that statement I have no wish to disagree, but I should like that hon. gentleman to carry his study a little further. I can assure any hon. member who wishes to spend a few interesting days considering this subject that he will find it very enlightening indeed to examine, as I have done, the census statistics of the United States for the year 1910 as compared with the year 1920. If he does so, he will find that in 1920 there were 191,073 fewer farms and 3,726,527 less improved acreage in twenty-four of the forty-eight states of the union. And in every one of these states there was an increase in the mortgage indebtedness in relation to land value. There are still twenty-four other states to be accounted for. Examining the figures, I found that these states that show an increase in the number of farms in 1920 as compared with 1910, and an increase in the improved farm acreage, together with a decrease in the mortgage indebtedness in

relation to land values, are the southern states. What do we learn from that fact? We can get a lesson from it. The twenty-four states that show a decrease in the number of farms and improved farm acreage, together with an increase in the mortgage indebtedness, are northern states which, with one or two exceptions, have the same sort of climate as we have in Ontario and Quebec and the west. The people in those states which have to contend with climatic conditions similar to those in Canada have to spend large sums of money in providing for their families and stock.

Where the figures are unsatisfactory the farmers have to cope with such climatic conditions as the farmers in Canada must contend against, while those states which show an increase in prosperity are in the south where there is no winter, where capital investment is not high, and where in many instances the farms produce two or three crops annually. In the southern states, in addition, there is the advantage of cheap labour as compared with what our farmers have to pay in this direction. The farmers of the south raise their crops under more favourable conditions and they invade the markets of the north. The twenty-four states in the north ought to be more prosperous from the standpoint of population, for I venture to say that 75 per cent of the population of the United States is located in this northern territory. Take the cities of Chicago, Buffalo, Detroit—they are all situated in that area. Yet the states in which those cities are located are going backwards. Why? As the member for South Huron pointed out—and he was correct in what he said—these farmers are not getting on so well as the farmers in Canada and the reason is that they are bound to submit to the competition of the farmers in the southern states, where there is a warm climate and where there is every advantage to aid them in competition.

An hon. MEMBER: Would the northern farmers improve conditions by shutting out the southern agricultural products?

Mr. EDWARDS (Frontenac): Yes, undoubtedly they would improve their condition if they could do so, but they cannot. They have to put up with that competition also, and that was the very point taken by the deputation of farmers representing the northern states who went to congress and said, "These are conditions which we are up against; you cannot protect us from the competition of our fellow farmers to the south, but you can give us protection against the farmers of Canada and the other farmers of the world." That is what was back of the Fordney-McCumber tariff; that is why it was put in force, because the farmers in the northern states demanded that protection. Some one will say, "Oh well, the competition of the south does not amount to anything." It amounts to a great deal; it is not merely competition in early vegetables, either. The state of Texas ranks second in the number of sheep, and has over 6,000,000 head of cattle, while in Canada we have about 9,000,000. Texas and Oklahoma together have almost as many cattle as there are in Canada.

Mr. STEWART (Edmonton): They are not comparable with the northern cattle, as my hon. friend will admit.

Mr. EDWARDS (Frontenac): That I will at once agree to, but I am sure the hon. gentleman will also agree that if you have a piece of beef from a Canadian steer and a piece of beef from a Texas steer and a limited supply of money in your pocket, you will chew Texas beef. That is one thing I wish hon. gentlemen across the way would appreciate. Of course it is hard for ministers, drawing large salaries, to appreciate this fact—

Mr. STEWART (Edmonton): My hon. friend must not think that the ministers have always drawn large salaries and know nothing about lower salaries.

Mr. EDWARDS (Frontenac): No; my hon. friend has not always drawn a large salary and will not always draw one.

Mr. STEWART (Edmonton): We are succeeding fairly well.

Mr. EDWARDS (Frontenac): That is all my hon. friends are succeeding in doing; drawing their salaries.

Mr. STEWART (Edmonton): My hon. friend forgets that we had an election recently.

Mr. EDWARDS (Frontenac): That is so, and I venture a prophecy, something I have not done before.

Mr. STEWART (Edmonton): My hon. friend did that before the last election, if he will look up his speeches at that time.

Mr. EDWARDS (Frontenac): Then I will do it again. Before the next election comes around that genial smile will disappear from my hon. friend's face.

Mr. STEWART (Edmonton): Never; I have carried it for twenty years.

Mr. EDWARDS (Frontenac): The point I am making is that the hon. gentleman and others who sit with him do not need to worry

about the prices of such things, and there are lots of men who are not ministers who do not need to worry. But I would impress upon hon. gentlemen that the high cost of living is a matter which must be considered. Meat is dear at one cent per pound if you do not have the cent; the cost of an article depends upon the ability to pay, whether or not the price is high. It does not make any difference to a millionaire whether or not beefsteak is a dollar a pound, but it makes a difference to the ordinary man. Hon. gentlemen opposite want to get it into their heads that they must adopt a policy which will enable workmen in Canada to secure employment at a wage which will permit them to buy decent food and decent clothing.

Mr. JACOBS: Will the hon. gentleman permit a question as a matter of information? To what does he attribute this sudden development of opposition on the part of the northern farmers to those of the south? They were there all the time, were they not.?

Mr. EDWARDS (Frontenac): I do not think the word "sudden" is quite well placed there. I think it has been developing for years but it takes some time for people to learn wisdom; we have had that exemplified here, as my hon. friend must admit when he looks about him on the other side of the House. He must see how long it has taken hon. gentlemen over there, who are supposed to be intelligent, to really grasp these things; they do not seem to have time to study them and to get at the basic principles of economics. How much less then, should we find fault with ordinary people in the country to our south? But no matter whether the time was long or short it is indisputable that the Fordney-McCumber tariff was placed on the statute books of the United States because of the demand of the American farmers that they should have the American market for their produce, particularly as against the farmers of Canada. I say that is the policy of the party on this side of the House.

Mr. JACOBS: The hon. gentleman admits that the competition from the southern states is more serious than from Canada?

Mr. EDWARDS (Frontenac): Let me tell my hon. friend this: If the reciprocity pact had gone into effect the farmers of Canada would have been up against competition from the south just as the farmers from the northern states were. We have a measure of protection but in my humble judgment it is not sufficient in many respects to give the farmer in this country the protection to which he is entitled. That is the point I make. I say that if the Liberal party had carried the reciprocity pact into effect and allowed the door to this country to be opened, then the farmers in Ontario who, according to the member for South Huron (Mr. McMillan) are more prosperous than those in New York and Pennsylvania, would be in the same position as the farmers in the northern states—they would be subjected to competition from the southern farmers who are raising their produce under more advantageous conditions than the farmers to the north.

Mr. MILLAR: Will the hon. member explain why the Fordney-McCumber tariff has not fulfilled its purpose, and has not given satisfaction?

Mr. EDWARDS (Frontenac): My hon. friend has asked me why the Fordney-McCumber tariff has not produced the results desired. I think you can find the reason for it in the volume of importations as compared with the amount produced on the other side of the line. Do not forget the fact that the people of the United States do not all live in cities. The United States is still a great farming country with an immense surplus of farm products. They are up against, and must continue to be up against, the competition of the farmers in the southern states who have a milder climate. You cannot give protection against the climate, but the farmers over there do enjoy a certain amount of protection. They certainly enjoy an amount of protection by reason of the duty imposed against Canadian products, there is no question at all about that. They must enjoy protection or they would not have asked for an increase in the tariff rates such as they asked for not very long since.

Mr. ROSS (Moose Jaw): The hon. gentleman will admit that a duty of 42 cents a bushel on wheat does not raise the price of wheat in the United States for the simple reason that they have an exportable surplus. The hon. gentleman laughed a moment ago when I gave him that argument

Mr. EDWARDS (Frontenac): That is all very well but I wonder why that explanation has not occurred to the statesmen of the United States. What did they put a duty of 42 cents on wheat, a duty of 12 cents a pound on butter, and a duty of 8 cents a dozen on eggs? Why do they do these things? Is it because the statesmen in the United States, as well as in Japan, Germany and every other country on the face of the earth —who are raising their tariffs, especially since the war, with the idea of protecting their people against depreciated foreign currencies and low rates of wages, and to make good

the loss of money which resulted in the war —have no intelligence; that the only persons who have intelligence are the gentlemen sitting on the treasury benches of Canada? This country is the only country in the world that I know of which, notwithstanding the economic and other changes which have taken place since the war, has lowered its tariff.

There are several other matters I should have liked to discuss for various reasons, but one reason has left the chamber—I refer to the Minister of Railways. There are a number of matters I should have liked to talk about, because I think there is room in that hon. gentleman's head for information. There are still some things he should know that he does not know, and that he particularly ought to know because he occupies an important position in the country. He is woefully deficient in the very elements of knowledge which he should possess as a minister of the crown.

Mr. JACOBS: Why not give him a few private lessons?

Mr. EDWARDS (Frontenac): I will do that, but I will not say how many I will give him. It all depends, however, upon his acquisitiveness as a pupil. An hon. gentleman suggests that he should have these lessons as long as he lives. I suppose one would need to give him lessons for a long time in order to fill up the aching void in his brain?

In conclusion, Mr. Speaker, I submit this on behalf of the party of which I have the honour to be an humble member: The Conservative party does not now and has not in the past advocated a high tariff which will exclude foreign competition. We do not believe in that and we never have believed in it. But we do believe in developing Canadian industries which will employ Canadian workmen. We do believe in a policy which will keep our boys and girls employed in Canada rather than drive them to the United States. That is the policy we believe in, and I think it is one which should engage the attention of every man in this House no matter with what party he is affiliated. Let us give employment to our own children within the bounds of Canada, let us build up this Dominion. We can only do that by creating living conditions in this country such as will induce our young folks to stay here. Let us give reasonable, just and fair protection and not one fraction of a cent more. Above all let us give the basic industry of agriculture what it has never had in my judgment under any party in Canada, a square deal amongst the industries so far as the tariff is concerned. That is all I have to say in regard to the matter.

32649—47½

I have some information here which I obtained in answer to questions of mine in regard to the importations of butter from Australia and New Zealand, but I will not take the time to go into that matter to-night. We shall have an opportunity perhaps to bring the subject up when we are in committee. I will simply say that the figures which have been given to me in answer to questions which I put on the order paper show conclusively and beyond any shadow of doubt the disastrous results to Canada which have followed the action of the government in making a treaty arrangement with Australia something over a year ago. I am sure the government is convinced of that, but it is proved by the figures in my possession.

On motion of Mr. Arthurs the debate was adjourned.

On motion of Mr. Stewart (Edmonton) the House adjourned at 11.40 p.m.

Tuesday, March 1, 1927

The House met at three o'clock.

REPORT

Third report of the select standing committee on miscellaneous private bills—Mr. Parent.

RAILWAYS, CANALS AND TELEGRAPH LINES

Mr. A. M. YOUNG (Saskatoon) presented the first report of the select standing committee on railways, canals and telegraph lines as follows:

Your committee have considered Bill No. 75, an Act respecting the Essex Terminal Railway Company, and have agreed to report the same without amendment.

Your committee have also considered the following bills, and have agreed to report the same with amendments, viz:

Bill No. 74, an Act respecting the Canadian Transit Company.

Bill No. 68 (Letter Q-2 of the Senate) an Act to incorporate The Detroit and Windsor Subway Company.

Mr. SPENCER: I do not know whether I am in order or not, but I understood that at the first meeting of the railway committee a request was made that the minutes be kept of information obtained with regard to the Peace River railway. I did not observe that anything was mentioned to that effect in the report just read.

Mr. YOUNG (Saskatoon): That matter has not yet been disposed of. As soon as it is it will be incorporated in the report.

PRIVATE BILL

FIRST READING

Bill No. 110, to incorporate the President of the Lethbridge Stake.—Mr. Jelliff.

SPRAY LAKES DEVELOPMENT

Mr. H. B. ADSHEAD (East Calgary): With the leave of the House, and for the information of hon. members, I beg to table a number of photographs in connection with the development of the Spray lakes power project.

DOMICILE OF MARRIED WOMEN IN DIVORCE PROCEEDINGS

Mr. W. J. WARD (Dauphin) moved for leave to introduce Bill No. 111 respecting the domicile of married women in proceedings for divorce.

He said: The House will recall that this identical bill was presented a year ago, but owing to the turmoil of the session it did not receive its first reading. In spite of all our social legislation of the last twenty-five or thirty years there is one phase of the status of women that still remains somewhat antiquated. The legislation governing the domicile of married women in Canada is based on a bill which passed the British House of Commons in 1856, and that in itself should be evidence that something further is required in Canada to place women more on an equality, in the matter of divorce proceedings, with the rights they enjoy in other respects. If the House will allow the bill to get its first reading it can be fully explained on the second reading.

Motion agreed to and bill read the first time.

DEPARTMENTAL SUPPLIES AND SURPLUS GOODS

Mr. W. J. WARD (Dauphin) moved for leave to introduce a bill respecting the purchasing and disposal of departmental and other supplies and surplus goods.

He said: I have prepared a short statement respecting this bill which will give the House sufficient information for the first reading. The purpose of the bill is to provide machinery for central purchasing of all supplies, materials, goods, stores, and articles required by the government throughout the country, and for the disposal of surplus goods and junk, the property of the government. This bill simply proposes the re-grouping in a special department of all personnel engaged in this work now under the control of the several departments. There will be no increase in the present cost of performing the duties concerned. On the contrary, there will be a saving, which, it is estimated, will be ultimately about 40 per cent on the aggregate amount of the salaries at present paid. Under the present system each department has an organization to attend to purchasing, and I submit that the number of employees engaged in this work is too large. By bringing them all together, and by not filling vacancies occurring in the process of time the suggested saving of 40 per cent will be accomplished. Therefore, the usual objection of expense in the formation of a new department has no weight in this case, as there will be a decrease and not an increase in the amount chargeable to civil government. Moreover, in addition to the estimated saving in the payroll, office space, and so forth, a greater economic benefit will result from the obtaining of more advantageous prices because of the fact of centralization.

After careful consideration of conditions prevailing before the war, the salutary effect of the operation of the War Purchasing Commission and its successors, I am convinced that there is a general difference of 20 per cent in favour of centralized purchasing to the best possible advantage, as against independent departmental purchasing under political patronage.

With this short statement, Mr. Speaker, I hope the House will be willing to allow this bill to pass and I will endeavour more fully to explain its value when its second reading comes up.

Motion agreed to.

On motion of Mr. Ward that the bill be read the first time:

Hon. HUGH GUTHRIE (Leader of the Opposition): I do not know what the bill contains, Mr. Speaker, but judging by the title and the explanation just given I would like to point out that it may be in conflict with the rules of this House.

Mr. SPEAKER: Will the hon. gentleman state why? Is it because it involves expenditure?

Mr. GUTHRIE: And the disposal of government property as well.

Mr. SPEAKER: Under the supervision of the departments. There is certainly a doubt, however, which I had in mind when the hon. gentleman was giving his explanation. We will let the matter stand.

Motion stands.

GERMAN REPARATIONS

On the Orders of the Day:

Sir GEORGE PERLEY (Argenteuil): Referring to an answer given yesterday to a

question of mine regarding claims for losses sustained by the civilian population in the war, and to an article on the same subject which appeared in the newspapers this morning, I would like to ask the government when we may expect a declaration of the policy they intend to submit for the consideration of the House in dealing with these claims.

Hon. FERNAND RINFRET (Secretary of State): I am only responsible, of course, for the answer given in the House yesterday, and can accept no responsibility for the article appearing in the press this morning. I regret that I cannot satisfy my hon. friend with a definite reply until I receive the final report of the commissioner.

POST OFFICE BOX RENTALS

On the Orders of the Day:

Mr. F. WELLINGTON HAY (North Perth): Might I ask the Postmaster General whether throughout Canada or Ontario or any particular section of the country he has increased the rentals of post office boxes in public buildings? I may say that when I was home on Saturday I found on my desk a notice that the rental of my box in the post office had been increased 100 per cent over night, and I was wondering if that was generally effective throughout Canada?

Hon. P. J. VENIOT (Postmaster General): In answer to the hon. gentleman I would say that the rates in some sections have been raised in order to establish uniformity. In grades 4, 5 and 6 west of the great lakes the rate was higher than in those grades east of the great lakes, and to ensure uniformity the rates east of the great lakes have now been raised to equal those in the west. In large offices, grades 7 to 11, the maximum has not been raised but there has been a slight increase in the minimum rate according to the sizes of the boxes, which are graded A, B, C and D. In grades 2 and 3 there has been a slight increase where the free delivery system is in practice in order to discourage as much as possible the double service which we are compelled to carry on, but in no case does the increase reach the cost of administration in keeping up that service.

Mr. HAY: Will the minister say whether that applies to all rentals or just to public buildings owned by the government?

Mr. SPEAKER: There can be no discussion in matters of this kind.

Mr. VENIOT: That applies to public buildings owned by the government. not to buildings the rentals of which are paid by the postmasters.

Mr. WOODSWORTH: Would the Postmaster General say whether any steps are being taken—

Mr. SPEAKER: No discussion may ensue.

Mr. WOODSWORTH: This is another question. Are any steps being taken to collect the arrears due from the people of the east?

Mr. VENIOT: There are no arrears due from the people of the east.

Mr. McGIBBON: I would like to ask the Postmaster General if it is the policy of his department to dismiss postmasters throughout the country without notice?

Mr. VENIOT: An answer will be given to that in good time.

SOLDIER SETTLEMENT LOANS

On the Orders of the Day:

Mr. H. J. BARBER (Fraser Valley): I would like to direct a question to the government and more particularly to the Minister of Immigration (Mr. Forke). I received a letter to-day from a returned man in the Fraser valley in which he states that he is the owner of thirty acres of land, to which he has a clear title. He applied to the local supervisor of the Soldier Settlement Board for a loan of $2,000 for the purpose of building a barn on his property, and was advised that no further loans would be granted. I would like to ask the minister if it has been decided to grant no further loans to the returned men, and if so, when that decision was made?

Hon. ROBERT FORKE (Minister of Immigration): I am not exactly sure, but I think all loans have been stopped. However, I will make inquiries and will be prepared to give a definite answer to-morrow if my hon. friend will repeat his question.

RURAL MAIL BOXES

On the Orders of the Day:

Mr. H. E. SPENCER (Battle River): I would like to ask the Postmaster General if he can give the House any idea as to when his department will secure a new supply of boxes for rural mail routes, as several routes are being held up at present?

Hon. P. J. VENIOT (Postmaster General): There are no routes being held up at present, because even if we had a supply of boxes we would not undertake to distribute them in winter. I expect to have the supply of boxes in ample time to establish whatever routes may be agreed upon in the proper season.

THE BUDGET

CONTINUATION OF DEBATE ON THE ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE.

The House resumed from Monday, February 28, the debate on the motion of Hon. J. A. Robb (Minister of Finance) that Mr. Speaker do now leave the chair for the House to go into committee of ways and means, and the proposed amendment thereto of Mr. Coote.

Hon. HUGH GUTHRIE (Leader of the Opposition): Mr. Speaker, in rising to offer a few observations on the motion of my hon. friend the Minister of Finance (Mr. Robb) that you do now leave the chair, may I observe at the outset that the discussion in which this House has been engaged during the past ten or twelve days is always considered one of the important debates of a session of parliament. I think the House will agree that in the present instance the debate so far has been maintained upon a high level of excellence. Much information has been given, much information has been received, and the discussion which has taken place will prove profitable to all sections of the House, and I trust also to all sections of the country. I am glad to say also, that during this debate the amenities of public life and the amenities of parliamentary debate have been well maintained. It is a good thing for the House and a good thing for parliament that this should be so. But having said so much I must point out that when we tender to hon. members opposite our felicitations, or our congratulations upon their efforts, it must not be taken that in so doing we commit ourselves in any degree to their proposals or acquiesce in their program. I state this because during the course of the present debate observations have been made on several occasions from various sections in the House to the effect that as we do not more vigourously attack our opponents there must be something in the nature of coöperation between the two old, long established parties in regard to the present budget proposals of the Finance minister. That idea seems to have become prevalent in some sections of the House. Now our regard for the amenities of parliamentary debate must not be taken as acquiescence, nor must our congratulations to our opponents upon a clear business statement or a finished oratorical performance be considered as an endorsement of their proposals. My desire is to make this point as clear as possible because, on more than one occasion the suggestion has been made by hon. members who should know better, that in some way or other the official opposition was intriguing with the government in regard to the present budget proposals. I fancy that when my remarks this afternoon have been concluded hon. members in all sections of the House will agree that one matter is clear, and that is that His Majesty's loyal opposition in this House does not countenance, does not approve, and does not endorse the budget presented by the Finance minister.

But before entering upon a discussion of the question raised by the speech of my hon. friend the Finance minister, may I look for a moment at the amendment which has been offered to the House by the hon. member for Macleod (Mr. Coote) representing a section of this House, called, I think, the Progressives of Alberta. My hon. friend from Alberta has moved an amendment to the motion that you, Mr. Speaker, do now leave the chair which amendment is in some respects a sort of curiosity. Let me read the first clause of that amendment in order that my remarks in regard to it may be understood. The first clause reads:

> That all the words after the word "that" be struck out and the following substituted therefor:
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> Whilst recognising the advisability of certain minor changes proposed, this House regrets that the budget as presented by the hon. Minister of Finance contains no effective provision for the reduction in the high cost of living, in so far as such is due to the protective tariff.

The House will note that there is no direct averment in the amendment that the protective tariff has anything to do with the high cost of living. At most there is only an implication or a suggestion that possibly it may have or might have such an effect. The draughtsman of the amendment had no confidence in it himself or his resolution would not have been framed in such uncertain, almost meaningless language. I shall I think be able to demonstrate as I proceed with my remarks, that the present high cost of living in this country is not attributable in any degree to the protective policy in Canada, but is attributable to three main causes: First, to the burden of taxation; second, to high freight costs; thirdly, to the profits and commissions of middlemen, wholesalers and retailers. These are the three controlling factors in regard to the high cost of living, and the question of a customs tariff enters into the matter very, very little, if at all. Now as soon as I noticed that particular clause in the amendment of my hon. friend from Macleod the thought at once struck me that it was probably put there to prevent the official opposition agreeing with his party and himself in this amendment. With that clause we

express our dissent, our positive dissent. We believe that it is not a genuine assertion of political principle by the hon. member who moved it. At most it is only a gesture, it is not a positive declaration on the part of his colleagues and himself. But if it were such we would equally reject it.

In regard to the other clauses of the amendment I have not very much to say, but what I have to say may be gathered as I proceed with my remarks upon the main motion. We as an opposition, Mr. Speaker, do not object to everything that is contained in the budget statement. We are able to congratulate the government and the minister upon some things. We congratulate him upon his lucidity, and upon his conciseness. We join with the government in rejoicing that Providence has once more blessed this country with an abundant crop. We join with them, and with others, in rejoicing that the financial effect of that crop has been reflected in every corner of this Dominion and in the trade of this country. These are matters upon which we can all agree, but there are other important matters in the budget to which we offer substantial and formidable objection, and I will try to deal with them this afternoon as briefly as possible.

In the first place we have a most unsatisfactory statement in regard to the finances of the Dominion. We have again it is true the perennial claim of the present Finance minister that this government has greatly reduced taxation in Canada. When speaking of it as a perennial claim I do so in light of the facts laid before the House in the very able speech of my hon. friend from Vancouver Centre (Mr. Stevens) a few days ago, and my desire is if possible to emphasize the contentions of my hon. friend for the purpose of drawing them as forcibly to the attention of the House and the attention of the people of Canada as is possible, and particularly for the purpose of inviting the Minister of Finance, before this debate closes, to give this House some explanation of the apparent irreconcilability between the various statements in his budget address and the statements contained in the Public Accounts of Canada which have been laid before this parliament as true statements of our national finances.

The Minister of Finance announced a day or two ago that he had had the pleasure of delivering four budget speeches in this House. That is so, and I have under my hand now the four budget speeches which he delivered. It is my intention to read an extract from each of them in order to give the House exact knowledge of what the minister said and of the impression which the minister, by his statement, created upon parliament and the country. Take his statement as delivered in 1924 in regard to the finances of this country. The minister said:

> These two amounts, totalling $9,622,760.37, together with $20,786,349 surplus of revenue over total expenditures, reduce our net public debt as of March 31, 1923, by the amount of $30,409,109.37.

That was the statement made by the minister in his first budget speech. I pass now to his budget speech of 1925 and find the following language:

> The public debt was decreased by the amount of $35,993,593.86. Since confederation decreases of debt have occurred in only nine of the fifty-seven years completed; $35,993,593.86 is the largest decrease of any of those nine years. being $10,375,758.83 greater than that for any previous year since confederation.

Those are two reductions. Before passing from this last budget let me refer to that part of his speech where the minister indulges in what one may call another prophecy. He predicts that for the next year, that is for 1925, he will have a deficit of $13,703,000. Actually that deficit did not occur because the public accounts show that he closed that year with a bare surplus of $353,000. I now take the third speech of the minister delivered on the 15th April, 1926, and quote from it as follows:

> To obtain the net debt as of March 31, 1926, of $2,395,084,685.59, the excess of $11,557,000 of these special expenditures over these special revenues should be deducted from the surplus of $33,910,000 mentioned above, which will give a reduction of debt during the year of $22,353,000. May I again emphasize, Mr. Speaker, that this reduction of debt is net, clear of everything?

That is the third reduction announced by the Minister of Finance. The last, of course, was announced in the budget speech delivered a few days ago, as reported at page 387 of Hansard, where he said:

> We estimate that at the close of this year there will be a further reduction of some $31,000,000 in our net debt.

As that is merely an estimate, I am not going to hold my hon. friend closely to the figure stated because the present financial year will not be closed until the 31st March next. I will therefore deal with his statements in regard to the other three years. What do we find? This government entered office originally on Decemer 29, 1921, so that for the year ended 31st March, 1922, it could not be fairly held responsible for more than three months of the financial operations. Therefore we will take the first year of operation by the present government, not the year ending 31st March, 1922, but the year commencing 31st

March, 1922. According to the Public Accounts, page 46, we find that the net debt of Canada then amounted in round figures to $2,422,000,000. From the Finance department we find a statement issued showing that on the 31st December last, the net debt stood at $2,343,000,000. By the simple process of subtracting one from the other we find that there has been a reduction of $79,000,000 in the net debt as between the 31st March, 1922, and the 1st January last. This is what the public accounts of Canada disclose.

But there is another side to the story. As pointed out by the hon. member for Vancouver Centre (Mr. Stevens) a few days ago, we have in this country another debt, a debt which is secured by the bonds of the Dominion of Canada, a debt which is always set forth in the balance sheet of the Dominion of Canada. If hon. members will turn to page 3 of the Public Accounts, they will find the balance sheet as it stood on the 31st March last, and it shows on the liability side of the ledger:

Funded debt, per schedule T, $2,471,000,000, in round figures.

If hon. members will turn to the public accounts for the year 1922, they will find that the funded debt of this country at that time stood at $2,420,000,000 odd. There has therefore been, during the last five years, an increase of $51,000,000 in the funded debt of Canada, that is the debt for which we have bound ourselves to the purchasers of our bonds and securities, a debt which at maturity we must pay, principal and interest. It stands on the government books as of 31st March, 1926, at precisely $51,000,000 more than it was when this government took power in 1922.

Let us take the $79,000,000 reduction in the debt of Canada shown by the public accounts and then let us see how the balance really stands in regard to the issue of treasury notes in this Dominion. We know that the treasury of Canada from time to time issues large amounts of Dominion notes. This is done for the convenience of banking and commerce. It is done upon the principle of the operation of the federal reserve banks in the United States in order to assist the financial trade requirements of Canada. Every Dominion note issued is a debit obligation of this country. True, that note can be handed about from bank to bank and from person to person, but it is merely a promissory note of the Dominion of Canada unless that note is backed to the extent of one hundred per cent by gold or specie in the vaults of the Dominion of Canada. Now what was the circulation of our Dominion notes, and what was our cash reserve, in the year 1922?

In March, 1922, the circulation of Dominion notes—a debt of this country—was $241,000,000. Against this amount we held in gold and specie, $85,000,000, only, or 35 per cent of our note circulation. The other 65 per cent of that circulation was a direct debt of this country. Now turn to the present time. In the year 1926 the note issue of the Dominion was $182,800,000, against which we held in gold and specie $99,000,000, or a reserve of 54 per cent. The other 46 per cent of the issue of Dominion notes was a debt of this country, just as much as the bonds and other securities of the country are a debt. The government in the intervening years had withdrawn from our note circulation $58,000,000, which consequently disappeared from the indebtedness of Canada Of the $79,000,000 reduction in our net debt, $58,000,000 of that reduction was achieved simply by recalling Dominion notes. Now $58,000,000 from $79,000,000 leaves $21,000,000 as the net reduction of debt at the hands of the government of this country during a period of five years. What then becomes of the announcements of the Finance minister in his four budget speeches? Where has that money been applied? Let us take his announcements again.

On April 10, 1924, he announced a reduction to March 31, 1923, of $30,409,000; on March 24, 1925, a reduction from March 31, 1924, of $35,993,000; on April 15, 1926, an estimated reduction of $22,353,000, which actually became $27,706,000. Leaving out altogether the announcement made in February this year, the payments on the public debt announced by the Minister of Finance for those three years totaled $94,108,000. Yet this government has actually reduced the debt of this country by a sum of only $21,000,000. It has been instrumental in paying off only $21,000,000 of net debt and during the same period has increased our funded debt by $51,000,000.

What I request of the Minister of Finance, in closing this debate to-day, is that he explain to this House what we cannot explain to ourselves, why his budget statements do not agree with the financial statements of his department placed upon the table of the House. I cannot reconcile the two, nor do I believe any one in the House can, and I therefore think it is the duty of the Minister of Finance to give a clear and definite statement as to what has become of these payments which he says have been made in reduction of the debt. Any one can take this volume of

Public Accounts and figure it out as we have figured it out; and he will come to the same conclusion. I do not suggest for one moment that the money has been misappropriated or misapplied. What I say is that it never existed, that it was mythical, that the debt reductions were purely mythical, purely imaginary, the purest kind of sham. But these mythical reductions have been announced for electioneering purposes throughout the length and breadth of the Dominion of Canada upon many occasions, although as a matter of fact there has been little actual reduction in the national debt of Canada in five years of Liberal rule, nor in the four years of Liberal rule during which the Finance department has been in charge of my hon. friend the Minister of Finance.

Take another instance of these misleading announcements which have been heralded throughout the country and have been imposed upon this House of Commons from time to time—the so-called reductions in taxation. Let us look at them for a minute. In his budget speech in 1924 the Minister of Finance announced a reduction in taxation of $24,000,000. In 1925 he was much more wary. On that occasion he said there would be a "substantial reduction." In 1926 he announced a reduction in taxation of $25,000,000, but he said that was only "estimated". In 1927, that is this year, he announced a further reduction of $27,000,000. Now why is it that these reductions are not reflected in the taxes paid by the people of this country. Why are these reductions not shown in the public accounts of this country?

Mr. ROBB: They are.

Mr. GUTHRIE: I submit they are not, and anyone can take the public accounts and satisfy himself in regard to the matter. On page 44 of the Public Accounts you will find a statement showing all the receipts of the Dominion government from every source from the year 1868. I will grant, Mr. Speaker, that the total receipts mentioned in this table do not represent the actual taxation of the people. All one can say is that the great bulk of these total receipts on page 44 represent actual taxation. Now turning to the statement of receipts and expenditures for the last year, 1926, the total revenue for that year, as shown on page 45, was $382,000,000, and 95 per cent of that amount was made up of taxes imposed upon the people of Canada. I am assuming for the purposes of argument that the House will agree that the customs tariff is a tax, and if you will agree to that, then 95 per cent of the whole amount contributed to our treasury through the revenues of the country was made up of taxation. Now what do the figures show in these interesting accounts?

Let us take the last five years of this government's operations, and we find the average return from taxation to this government in the last five years to be $387,780,000. Was that great or was it not? We can judge only by comparing this statement with the figures in the five years preceding, under another government. You will find that the average taxation for the five years previous was $348,500,000. So during the last five years this government has raised by taxation from the people of this country $39,280,000 more per year than was raised by its predecessors. Now what becomes of these wild statements of the Minister of Finance made annually in his budget speeches to the effect that he has reduced the taxation by $24,000,000, $25,000,000 and $27,000,000, when the truth is, according to the public accounts laid before this House by his own department, he has taken well nigh $40,000,000 more per annum out of the pockets of the people by taxation than did his predecessors in the previous five years? What does that mean to the people of Canada? It is the burden of taxation that counts in regard to government financing; it is not the bulk amount of the tax, but the burden which that tax imposes upon the individual, that counts.

Now I take for the purposes of this illustration the statement made in this House by the Minister of Trade and Commerce (Mr Malcolm), in a very excellent speech which he delivered here last week, and for which he is to be complimented by the whole House of Commons. I take his statement of population for the year 1926, because he gets it from the officials of his own department. The population in that year was 9,390,000, and I find that the increased taxation during the last five years was $39,280,000 per annum Divide one by the other, and you find that for every man, woman and child in this country there has been a positive increase of taxation to the extent of $4.18 per annum For a family of five it would mean $20.90 per annum of increased taxation imposed by this government on the people of this country, over and above the taxation which was imposed for the five years before this government came into power. In making that statement I must make the further reservation, that five per cent of the amounts I have mentioned should come off, because 5 per cent does not represent taxation, but 95 per cent of the amounts which I have stated is derived from and represents actual taxation

So that, instead of saying $4.18 per head, I should possibly say $3.98 per head. However the burden is enormous whichever way you take it, and these annual announcements of the Minister of Finance that he has greatly reduced the taxes of the people of this country are again purely imaginary. I object on the part of those who sit around me in this section of the House, to financial methods of this kind. We object that the financial statement laid before this House by the Finance minister in his budget speech was not a clear, fair and open presentation of the actual finances of the country. Where the minister's statement does not agree with the public accounts, we are bound to accept the statement contained in the public accounts, and I ask the Finance minister, before this debate closes, to explain to the House these very evident and serious discrepancies. We object to this budget because it has positively increased the burden of taxation on the people of the Dominion. These burdens should be lower, and they should have been lowered years ago. I have never yet heard a minister in this House, nor a Liberal speaker on a political platform in this Dominion, admit that the Liberal government itself has been the cause of much of the increased taxation. The other day a cheer went up in this chamber by government supporters when the minister announced a 20 per cent cut in the sales tax. Now it sounds as if he had done something substantial when he says, "I have reduced the sales tax by 20 per cent." The sales tax was five per cent, and he has taken one per cent from it, but for years he retained that sales tax upon the necessities of life at the rate of five per cent in spite of our protests. What Liberal speaker in parliament or out of parliament ever told the people that Liberal government had increased the sales tax? The Liberals placed that burdensome imposition on the people of Canada. When my hon. friend and his government took office in December, 1921, it is true we had the sales tax. It was a war measure imposed as a war tax, but it was only a tax of three per cent. At once upon taking office this government increased it to four and a half per cent; then they increased it to six per cent, despite our protests and objections. Then they found what we pointed out they would find, that they had actually created a hindrance to the commercial business of the country and they had to reduce it to five per cent. Now, with a great flourish of trumpets, the announcement is made that the sales tax has been reduced to four per cent. That sale tax forms one of the heavy burdens upon the common people of this country. It is one of the direct causes of the high cost of living in Canada. Does the government not realize that when the ordinary citizen of Canada goes out to buy a hundred dollars worth of the necessaries of life for himself, his wife and children, on every hundred dollars worth which he purchases—I do not mean foodstuffs but other necessaries—the treasury of Canada exacts five dollars from him or did so last year? This year it is going to exact from him four dollars on every hundred dollars' worth of purchases. In future when he buys a hundred dollars' worth of goods he can say to himself, "Well, I saved a dollar this time because this good Liberal government has taken one dollar tax off every hundred dollars' worth of purchases." He will now pay $4 of taxes instead of $5 upon every hundred dollars of purchases. That is the only relief the ordinary citizen of Canada has obtained through the budget. It has been called a rich man's budget, and so it is in every sense of the word.

I do not offer objection to the cut which has been made in the income tax. I say this reduction has been long delayed. This government has taken a long time to make up its mind to reduce taxation, but having decided to do something, it has certainly had regard for those who are best able to pay money into the treasury, and has had little regard for the ordinary man or woman, the ordinary citizen of Canada. To the ordinary citizen it hands back one dollar on every purchase of one hundred dollars' worth of the necessaries of life, while to the rich man it says again this year, as it said last year, "There is a plum for you in the budget reduction."

I had this matter figured out in the government department of taxation, and I find that in the case of the man with an income of $60,000 a year—and there are many in that class—the government has granted a reduction of $1107 on income tax, to the man with an income of $40,000 a year there is a reduction of $589; to the man enjoying an income of $20,000 a year, the government has granted relief to the extent of $154; to the man enjoying an income of $10,000 a year the reduction is $29, but to the great mass of the people of Canada the reduction is a single dollar on every purchase of a hundred dollars' worth of the necessaries of life.

Mr. MacLEAN (Prince): I think it would be only fair to state that the business profits tax has been abolished.

Mr. STEVENS: That is not the question.

Mr. GUTHRIE: I have not discussed the business profits tax. That was a war tax put on for the purposes of the war. I think it was taken off by the government that preceded the present Liberal government.

An hon. MEMBER: No.

Mr. GUTHRIE: My recollection is that it was, and there are some accumulation and arrears still to be collected, but the tax was taken off some years ago. However, it was a war tax when it was put on and was not intended to be permanent. The sales tax was similarly put on as a war burden and not intended to be permanent. It should at least have been cut in two this year and wiped out entirely next year. I can assure hon. members that the people of this country would have appreciated such a reduction although the rich men might possibly have had to wait a year or two longer for their relief. There is a tremendous number of people in this country who would have been cheered by the news that five dollars had been taken off every hundred dollars' worth of purchases of the necessaries of life which they might purchase from month to month throughout the year 1927. We object to the principle upon which this reduction of taxation has been arranged by the government. We do not think it is a proper one. We do not think the government has followed the principle of the greatest good to the greatest number. These reductions emphasize much more than any words of mine the fact that the present budget is in reality a rich man's budget and not a budget in the interests of the whole people of the Dominion.

Something has been said about the high cost of living; I think I said something myself at the beginning of my remarks on that subject. Is it not astounding, as pointed out by my hon. friend from West Calgary (Mr. Bennett), that the cost of living in this country in the month of December last, 1926, was higher than it has been since the year 1922 when this government came into power? The figures submitted to the House by the hon. member for West Calgary are not such as the government can quarrel with, for they are prepared by this government itself for the information of the House and the people of Canada. The officials of this government have established that the cost of living to-day is almost at the peak since the year 1922. It costs the average family of five to-day, for the supply of the actual necessaries of life, $21.41 a week. If taxation has been reduced, if conditions have in any way been made easier, why is the reduction not reflected in the cost of living in Canada? Why has the cost of living almost reached its maximum to-day? With a knowledge of the fact that the cost of living was about at its peak before the Prime Minister (Mr. Mackenzie King) and before the Minister of Finance, why could not the minister have been sufficiently courageous to relieve the situation by abolishing the 5 per cent sales tax altogether and so give the ordinary people a chance?

Another thing to which we object is the fact that the budget gives no intimation whatever that the government is disposed in any way to economize in the management of the affairs of the country. This year in the main estimates the government proposes to spend $6,500,000 more than it did last year. We have not yet had the supplementary estimates, but no doubt they will be very substantial. But, as I say, in the main estimates alone we have a proposed expenditure of six and a half millions more than we spent last year. What I have to say about the estimates is this. If the government had any real desire to economize they could take that blue volume of estimates and, sitting around a table with the Minister of Finance and a blue pencil, they could go over the estimates page by page. If this were done it would be found that large items on every page could be blue pencilled. A vast sum of money could be saved this very year and no public service in the country would in any way be hindered or embarrassed.

An hon. MEMBER: Militia?

Mr. GUTHRIE: Yes, I have a word to say about the militia. If there is one respect in which this government has been tardy—yes, careless—in the performance of its duties, if there is one respect in which it has absolutely failed, it is in the maintenance of a proper militia force in Canada. The most hopeful sign I have seen in regard to the present government in many a long day is the fact that to-day we have a gallant soldier (Mr. Ralston) at the head of the Department of National Defence, and his presence in the government must mean something, for we see a very substantial increase in the vote for national defence this year. We have been a long time waiting for this, and we are not here either to challenge or to criticise the increase, but to support the government in respect of it. But apart from that there are many other things in this blue book of estimates for 1927 that might still receive the attention of the government. Go over the

harbours and rivers vote; go over the public buildings vote; take the estimates page by page, and you can eliminate millions upon millions of dollars. If that were done the government would have some money to spend on some real development work in the Dominion.

I went over the estimates the other night, and I found what I have found in them every year since this government took office. One thing they have never failed to do, is to increase the public service of Canada. There has never been a year that has not shown a substantial increase in the number of civil servants, with a correspondingly large increase in the amount of taxation thereby necessary. Save only three departments every department shows an increase of civil servants this year. I have them all tabulated, and I think there are only three departments that do not show an increase. The total number of new civil servants for whom salaries will have to be provided, if these estimates go through, will be 168, and the additional salary list amounts to $317,000, including, of course, statutory increases. But it has been so every year since this government assumed office. In regard to one thing, I think, we are all of one mind: the public service of Canada is overmanned. That being so, why further increase the number of civil servants? Those hon. members who were in the House when the late Frank McCrea was here must at that time have been convinced that the departments of the civil service were overmanned, not only the inside service but the outside service as well. Frank McCrea made it very clear. Why, therefore, increase the number? I am not asking the government to displace people who are now in the service, but there is no reason why the list should be increased every year by new appointments, when the government must know in its heart that the departments are overstaffed, as they have been for the last twenty-five years. Can we not call a halt in this matter? Can not a large sum of money be saved in this respect as well as in other respects in the present estimates?

In one respect the Minister of Finance has been fairly cautious in his predictions in regard to his financing during the current year 1927. This, I think, is the only occasion on which he has presented a budget when he has not given a fairly good forecast, based of course on estimate, of what would happen financially during the ensuing twelve months. For some reason only a very slight reference is made to such matters in the speech the minister delivered on February 17, although he did say that he estimated that the revenues for the next twelve months would be equal to those of the last twelve months, placing the revenue of the last twelve months at $393,000,000. But in announcing his reduction of taxation he had to point out that the figure just quoted would have to be reduced by $27,000,000, leaving him an estimated revenue of only $366,000,000 for the ensuing twelve months. Now the government has brought down estimates for $354,000,000 odd, besides railway estimates for $22,518,000 odd, making a total of some $376,000,000. Then we will have to deal with the supplementaries as well. I assume the supplementaries will be fairly substantial this year. Would I be right in placing them at $20,000,000, or is that too high? This year we expect that something will be done in the estimates for old age pensions, and we anticipate as well an inclusion in the supplementaries of a substantial sum to take care of maritime rights legislation. Is it therefore too much to say that the supplementaries will amount to $20,000,000? I do not think so. Well, if they do, then we have a program for expenditures in the next twelve months amounting to $396,000,000, while we have an estimated revenue of only $366,000,000.

In face of these facts the Minister of Finance comes to the House and declares that he expects to finance a good deal of the maturing obligations of the country next year out of ordinary revenue. The thing is impossible on the face of it. His estimates may be wrong, and I must say that they have been very vaguely placed on Hansard in the budget speech; this is the first time he has not given us a really concise statement as to the future financial operations of the government. What is next year's financing to be? On November 1 next, we have bonds maturing to the extent of over $29,000,000; these should be met. On November 15 next we have more maturing bonds amounting to about $8,000,000, which should be paid. Then again on December 1, we have further obligations maturing amounting to over $63,000,000 making in all, as the minister says, about $100,000,000. His statement in this House a few days ago of his expectations in regard to government financing this year, if it means anything at all, means that he will be met with a deficit of from $20,000,000 to $30,000,000 on the program which has been laid before parliament, and will have nothing on hand out of which to pay maturing loans.

Is it not time, as suggested on this side of the House, for some settled policy to be adopted by this government in regard to the national debt of Canada? Some very con-

structive suggestions have been made during this debate. The hon. member for West Calgary (Mr. Bennett) elaborated a plan which will require grave consideration and examination; he has offered a most constructive suggestion to this government, but will they do anything in regard to it? The hon. member for Toronto East Centre (Mr. Matthews) also brought this matter definitely to the attention of the government in a very carefully considered proposal; hon. members in other quarters of the House have made constructive suggestions also, but will the government act upon any of them or will they continue this go-as-you-please sort of financing in which they have indulged for the last five years? Will they continue this happy-go-lucky policy in regard to these maturing obligations, or will they themselves suggest some definite scheme, either by the annual appropriation of a fixed amount, or by some manner of conversion, or by some device of a sinking fund, or by some other definite plan, whereby we may take care of the enormous national debt of Canada as it matures and whereby this debt may not be spread over too many future generations? Why, Sir, if this government had shown the least anxiety; if within the past three years it had displayed a little business sagacity and had prevented that raid upon the treasury which robbed us of anywhere from $50,000,000 to $100,000,000 as disclosed in the customs and excise scandal, we might have had something substantial with which to discharge our obligations. We could probably have taken care of the whole one hundred million dollars maturing this year. These are some of the reasons why we who sit to your left, Sir, are opposed to this budget, but there are other matters, and if I do not weary the House too much I would like to dwell upon some of these.

We object that during its whole career the Liberal government has failed to initiate or suggest any real progressive policy for the development of Canada. For nearly six years this government has simply rested upon its oars; it has closed its ears to the appeals of our citizens east, west and centre, and we stand to-day after six years of rule by this Liberal government so far as the development of Canada is concerned practically where we started. Does the government realize that for four or five years at least appeals have been made year by year and almost month by month by the people of the three maritime provinces, asking for the redress of their grievances and for the righting of the injustices under which they are suffering? Does this government realize that year after year it has turned a deaf ear to these appeals? Never a hand turned, and never an action of any kind until on the eve of a general election, Sir Andrew Duncan was called upon to make an investigation. Why did not the government act of its own motion in these intervening years? Simply because of its supineness, its lack of initiative, its incapacity to deal with the big problems which confront this Dominion. This lack of initiative has had just as baneful an effect in western Canada as in eastern Canada. Why, Sir, let me refer to a famous speech made by the leader of the government in the constituency of North York in September, 1925, when he acknowledged to the electors that the country was practically stagnating. He said, "I cannot go on any longer in this way; I am not able to deal with the great problems which confront the government of this country." He made that confession to the people of Canada, and said, "This is the time to march forward." The people have given him a new lease of power and have placed him firmly in control of the government of this country, and the people will expect from now on that he and this government will do something substantial towards the development of Canada.

We hear criticism from the west in regard to railway rates. I listened very attentively to a very able speech on that subject delivered last night by the hon. member for Saskatoon (Mr. Young). The situation in western Canada with regard to railway rates is a disgrace to this country, and has been for some time past. Cannot the government suggest a remedy for the existing situation in that regard? Parliament declared in June 1925 that a certain line of action should be taken in regard to railway rates, but nothing has been concluded in the interval. The whole of northern Saskatchewan and northern Alberta are suffering from an unjust discrimination in connection with grain rates. Until yesterday my impression was that this discrimination had been removed a month or two ago, but I learned from the speech of the hon. member for Saskatoon last night that discrimination still exists. What is the government going to do? We have a Board of Railway Commissioners; are they not capable of dealing with this problem? I make no reflection upon the members of the board; they are human and one man can only do the work of one man. The applications which have come before the board are applications requiring very grave consideration; they have great ramifications, but if we have not enough railway commissioners to promptly deal with these important questions, let us change the system; either let us have more commissioners

or let us make two boards out of the commissioners we now have. I never could understand why it was necessary to have six commissioners dealing with one case. In the province of Ontario we suffered in the same way in the appellate division of the Supreme court, and there we simply divided the judges into two courts, which removed the difficulty at once. Could this not be done in regard to the railway board? It is a scandal that in this country a great question like that of the freight rates of western Canada should be held up for a year and a half—yes, well on to two years—that it is still under consideration, still under argument, and the people of northern Alberta, northern Saskatchewan and northern Manitoba still overcharged two cents per hundred in respect of their grain shipments. Can the government do nothing with respect to that situation? We can bring it to their attention, we can force it to their notice, but we as an opposition have no power to move in the matter. I said that the government have little of initiation about them. I am afraid it is too true. I have suggested a solution; will the government even examine my suggestion, or will they be content simply to twirl their thumbs, to pursue their happy-go-lucky course—the course they have pursued up to now—dreaming away their time, neglecting their opportunities, enjoying the sweets and emoluments of office, and allowing the people of the three prairie provinces —at least in the northern sections—to pay two cents a hundred extra on the grain that goes out of that country? This is a sleepy government. I suggest a motto for this government; it occurs to me now. I do not suppose any members of the government will recognize this motto save my hon. friend the Minister of Immigration (Mr. Forke) as it occurs in the Book of Proverbs. The motto of this government should be:

> Yet a little sleep, a little slumber, a little folding of the hands to sleep.

If we can, we are going to awaken the government with respect to various questions. One question is the freight rates question. Another question is the development of the new territory in that western country. To most of us it is a revelation to know that we have still a perfect western empire ready for settlement. All we require is railway facilities and people to settle that country. I regret to say that I feel humiliated when I come to the question of settlement in western Canada. I believe the government will feel humiliated also. I do not blame, I cannot blame, the present Minister of Immigration for the sad condition that now exists. He is not responsible for it, nor can the staff of the Immigration department be blamed; it is a well-run department, well staffed with capable men. But I blame the government. The whole policy of the government with regard to immigration has been a policy of exclusion. There is nothing we want in Canada so much as people, and the government has done nothing so definitely as excluding people from Canada.

What, Mr. Speaker, is the result of the efforts of this government in regard to immigration in the three prairie provinces? It is a sad commentary on the efforts of this government to settle these great provinces. We know that a census is taken in the three prairie provinces every five years. One was taken in June, of last year. What does it disclose? It discloses that the five year effort of the Liberal government to bring settlers to the province of Manitoba has resulted in an increase of population in the province of 28,938, or a four and a half per cent increase in five years. We know that the natural increase is one per cent per annum. That increase is obtained by reason of the fact that there are more births than deaths. In five years we should have had an increase in population in Manitoba of about 32,000 people, the natural increase without a single immigrant coming into that province. We have an increase shown by the census returns of only 28,938 all told. What has become of our natural increase? What has become of the eighty or ninety thousand people which this government has brought into that country annually? At the opening of this session I said that I thought there was a considerable exodus from western Canada to the United States, but I was checked up by the Minister of Immigration who said such people were only going away to spend the winter in California or the like.

Mr. FORKE: I said they might be going there.

Mr. GUTHRIE: I think on hearing these figures my hon. friend will revise that statement. What have the former increases been in Manitoba? In 1906, the population of Manitoba was 365,000. In 1911, it had risen to 461,000, an increase in five years of 94,000. From 1911 to 1916 it rose to 553,000, an increase in the five year period of 92,000. From 1916 to 1921—war years too—it rose to 610,000, an increase of 57,000; and from 1921 down to 1926, the increase was 28,938 souls, some three or four thousand less than the natural increase

should have shown. I am sorry to say that the figures disclose something else. Four of the constituencies in that province have actually lost population. I do not know that I had better name them; anybody who gets this return from the Bureau of Statistics, the preliminary report of the census of Manitoba for 1926, can find these things out for himself. Take the province of Saskatchewan, a great province offering such fine opportunities for settlement. The increase during five years was 63,532, or nine per cent. They evidently retained their natural increase and got four per cent more. But listen to the figures: In 1906, Saskatchewan had 257,000 people; by 1911 the population had jumped to 492,000, an increase in five years of 235,000. From 1911 to 1916, under the Conservative regime, the population jumped to 647,000, an increase of 155,000 in five years. Under the Liberal government during the last five years the population has increased from 757,000 to 821,000, a paltry increase of 63,000 or nine per cent. And some of the constituencies in Saskatchewan have actually been reduced in population since the census of 1921.

Mr. FORKE: I do not want to interrupt, but my hon. friend will remember that during that period the great question of re-establishing the returned men was dealt with, and those figures were included.

Mr. GUTHRIE: That ought to make the population greater.

Mr. FORKE: I thought my hon. friend was counting the returned soldiers as immigrants.

Mr. GUTHRIE: I am not talking of immigrants, I am talking of the total population. The point I am seeking to make is that the population is not by any means what it should be.

Now, take the province of Alberta. In 1906, that province had a population of 185,000. By 1911 it had jumped by 179,000 and reached 374,000. Then under the Conservative government from 1911 to 1916 it jumped again to 496,000, an increase in five years of 122,000. From 1916 to 1921, even in the war years, it jumped again by 92,000. For the last five years, under the present government, it has gone from 588,000 to 607,000, an increase of only 19,000 in the population in the great province of Alberta in five years. That is an increase of just 3½ per cent, or 1½ per cent less than the natural increase in that province. Where, we ask, have the people gone? We hope they have come to eastern Canada or gone to British Columbia. Certainly they are not to be found in the prairie provinces. The statement issued by the government itself through the Dominion Bureau of Statistics is a sad commentary on the efforts of this Liberal government to develop western Canada in the way of bringing in new population.

Before concluding my remarks I desire to touch on only one or two other matters. This House was pleased the other evening to hear a new declaration of policy uttered by the Minister of Railways (Mr. Dunning) on behalf of the government. It was not an utterance made upon the spur of the moment; it was a carefully considered statement in writing said to have been prepared by the Minister of Finance himself and handed to the Minister of Railways for delivery to the House of Commons. We on this side noticed that my hon. friend was somewhat nervous during the delivery of that statement to the House. He seemed to be out of place, to be very nervous. At times he seemed almost to choke over it. Perhaps he found that he had some hard swallowing; but nevertheless he got through it, and now we have reason to know, if we can place any dependence upon the formal pronouncements of this government that we have in power, a government favourable to the policy of protection, favourable to the policy which since 1879 has been the established fiscal policy of the Dominion of Canada, notwithstanding the efforts of this present Liberal administration during the last five years to render that policy useless and innocuous by continually tinkering and tampering with it. We take some satisfaction from the statement that has been delivered by the Minister of Railways upon behalf of the government, upon that subject

There never has been a moment's doubt as to the position of the Conservative party upon the question of protection. We look upon it as one of the corner stones in the foundation of our national structure. We believe that when the policy of protection was established in 1879 by the great Conservative leader of that time, it actually saved this country from bankruptcy, and from that day down to the advent of the present government in 1922 the policy of protection has remained practically intact in this country as the guiding principle of fiscal policy under every government. I have heard many a Liberal speak of the prosperity of Canada under the Laurier-Fielding regime. I have heard many a Liberal speak of the Laurier-Fielding tariff and praise it to the skies. I was one of its supporters. In its day it was a good tariff; and it was the tariff of the Conservative party inaugurated by Sir John A. Macdonald in 1879, and the moment the

present Prime Minister of Canada, the head of this government, undertook to interfere with the principle of protection in the customs tariff his interference was immediately reflected most adversely in the trade and industry of this Dominion.

It is some relief to know that further assaults on the system of protection will not be made in the future. It is some relief to know from the lips of the Minister of Finance and his colleague, the Minister of Railways, that they too believe in the stability of the customs tariff founded upon protective principles. This principle is now and will continue to be an outstanding plank in the policy of the Conservative party. There is no mistaking that statement. We do not advocate the policy of high protection which is attributed to us by ministers in this government. We are not high protectionists; we do not seek "higher and higher and higher protection." Nobody in the Conservative party seeks or desires any such thing—nobody suggests it. We ask for reasonable, adequate protection, protection that will protect, protection that will give fair and equal advantage and opportunity to every class and condition in this country, bearing equally and fairly upon all and harshly upon none.

Mr. MILLAR: May I ask a question?

Mr. GUTHRIE: If my hon. friend is asking for information, yes. If it is only a catch question, I prefer not.

Mr. MILLAR: If the hon. member were returned to power, would he increase the present tariff?

Mr. GUTHRIE: I cannot answer that question without first making a full examination of the whole situation.

Some hon. MEMBERS: Oh, oh.

Mr. GUTHRIE: Anything like an examination of a situation or a considered judgment upon an intricate question always raises a laugh on the other side. I am sorry to say that this government is lacking in many respects. In the first place, it lacks in examination and consideration; in the second place, it lacks in initiation, and in the third place, it lacks courage. During one of the hectic days of last session, one of those occasions when the Minister of Finance thought his government was in danger, although it actually pulled through, he said while shaking his fist at that corner of the House: You know what it means if you defeat this government; it means "protection and higher and higher and higher protection." I know the Minister of Railways deals in language of that kind, both in the House and on the platform out west, and I know moreover he uses it simply as a bogey to frighten and to threaten the people of those western provinces. He uses it as the nurse did to the children in the old nursery rhyme, which says:

The goblins will get you if you don't watch out.

I believe enlightenment will come to those provinces in the near future as to the real attitude of the Conservative party, upon the question of protection. I believe the time will come when they will appreciate and endorse our attitude. We are not selfish in regard to the policy of protection. We do not ask for any "brick for brick" tariff. We do not ask for higher and higher protection as attributed to us by our opponents. We ask merely for a reasonable, adequate tariff measure, and if we get it, we believe it will redound to the advantage of every class and of every part of the Dominion.

I can appreciate just as clearly as can the Minister of Railways that with an agricultural community such as we have in the western provinces, who produce mostly grain and cattle, it is difficult, if not impossible, to confer any direct benefit by a customs tariff. I realize that; it needs no demonstration; but I realize just as fully that it is absolutely necessary to the life of industry in eastern Canada that protection be maintained. Under such circumstances is it beyond the realm of statesmanship to equalize conditions in a country such as this? We have to recognize either now or some day in the future that we have a long straggling country, of great length and narrow breadth. We have many different interests and different communities. Our activities in life are greatly diversified, and some day we shall have to meet upon common ground in order that equal benefit and advantage shall be conferred by this Dominion of Canada upon all sections and classes of the people. The proposal of the Right Hon. Arthur Meighen last fall, when he was leader of the Conservative party met the situation better than any other proposal I have heard. He proposed to meet it on the basis of preferential freight rates.

One thing we must realize is the question of transportation costs in Canada. We cannot settle that question upon the basis of a single rate for all parts of Canada. Such a plan will not work out; it will disrupt this country. We have to recognize the special claims of the maritimes, so well pointed out by Sir Andrew Duncan, in respect of railway

rates, and we on this side of the House are prepared to meet that recommendation.

But we shall have to apply the very same reasoning to the people in other sections of Canada. The raising of grain, the raising of those wonderful crops in the three prairie provinces, is a matter of the greatest interest to the people of Canada; it is a matter of interest to our trade and commerce, it is a matter of great national concern and if the present railway rates bear too heavily upon those basic commodities, then it is in the national interest that relief be given. Such in brief was the doctrine enunciated by the Right Hon. Arthur Meighen, and I am sorry to say that the west did not respond to his proposal. We shall have to come to it in the near future. Will the government initiate some policy of that kind? Is it utterly devoid of any power of initiation? Does it not realize that the question of preferential freight rates has to be settled? We in this country must learn to offset geographical conditions in the matter of freight charges. Already in our railway tariff mileage is disregarded, and we shall likewise have to disregard geography. We have done so in many cases already. We have given special rates over our railways to special industries to enable them to market their goods profitably, and so we shall have to do in regard to the grain and cattle growers of the west, and the time to do it is now, not to wait. We invite the government to make suggestions, and to propound a policy in regard to this great question. Grain and cattle being the staple productions of those three prairie provinces, and being vitally essential to the success and prosperity of the Dominion of Canada, can we not afford to give a preferential rate on the transportation of these products in the general interest of Canada. And I say the same with regard to coal, fish lumber and the like, from the maritime provinces. Already we have established a preferential rate in regard to certain products of British Columbia. Salmon has a preferential rate. Apples from the Okanagan come to the city of Montreal almost as cheaply as apples from the city of Toronto, because of the preferential rate they enjoy. Pulp and newsprint have preferential rates. Why not adopt that principle in regard to grain and in regard to live stock in the west, in regard practically to all the basic productions of this country, which by reason of geographical conditions are now too remote for profitable marketing? That brings me to another point.

It is an odd thing to me that from the city of Calgary to the city of Vancouver, which is so near at hand, only 642 miles distant, the farmers should be called upon to pay a rate of 21 cents for transporting their grain, while all they are charged if they ship it to Fort William is 26 cents. The distance from Calgary to Fort William is 1,251 miles, and the rate is 26 cents; the distance from Calgary to Vancouver is 642 miles, and the rate is 21 cents. Why cannot that rate be placed upon a fair basis in order to give the farmers who ship from Calgary or Edmonton the advantage which should be theirs by reason of their proximity to Vancouver? Why impose upon them a higher rate than is imposed upon the traffic that goes eastward? For my part, I cannot see any reason in it. That is another matter which this government will have to settle, and it should be settled when the question of preferential rates is being settled in this country. I am satisfied it will have to be done at some time in the near future.

Then look at the coal problem, so dependent upon that very question. The coal problem has been pressed upon this government for the last five years, session after session, time and time again. The Minister of the Interior (Mr. Stewart) who is in charge of the coal matter is not at present in his seat. It was said of him in this House by my hon. friend from Fort William (Mr. Manion) the other night that no man could be as honest as the Minister of the Interior looked. I say that no minister should be as dilatory as the Minister of the Interior has been for the last five years in regard to this coal problem. Now he seems to take the ground that the matter cannot be settled at all, that it is economically impossible. Why, Mr. Speaker, if our coal supply was cut off to-morrow by the authorities of the United States, we would settle the coal question in Canada in twenty-four hours. But again, this government lacks initiative. Again, it lacks resolution. Again, it lacks courage. It has failed in every development scheme that it has undertaken. The Peace river scheme is as dead now almost as Julius Caesar. The settlement of the railway rate question has not been advanced since 1925. Immigration and settlement in the west has been a complete failure during the last five years. The question of transporting Alberta and Nova Scotia coal to central Canada is just where it was five years ago, except for the effort of the Honourable Howard Ferguson, Conservative Premier of Ontario. These great questions all await a solution, and yet all my hon. friend, the Minister of Finance, says in his budget speech in regard to them, is: We must have faith. I will refer him to the Second Epistle of James, to look up a text for him-

self: "But wilt thou know, O vain man, that faith without works is dead?" This government protests that it has faith, but it does nothing to justify that faith. It has been deplorably lacking in works. We have had no progressive action in the past and we want action in Canada in all these respects. Your financial program has resulted in nothing. Your efforts to reduce taxation have resulted in increasing it. Your efforts to reduce the cost of living have brought the cost of living to the highest peak to-day that we have reached since 1922. Your theory that tinkering and tampering with the tariff would reduce prices is the purest kind of fallacy. Just apply a test now and see what has been accomplished in regard to prices under your tariff tinkering propensities.

It has been argued in this House that if you reduce the tariff, you decrease the price to the consumer. A greater fallacy was never uttered. Let me premise my remarks with this statement: The government did not touch the customs tariff on furniture, and the price of furniture in the last six years has been reduced from 25 to 30 per cent. How? The reduction in price has been brought about by internal competition among furniture manufacturers. You allowed the furniture men reasonable protection, and competition among themselves has reduced the price from 25 to 30 per cent below the price of six years ago.

This government did not alter the customs tariff on boots and shoes, and the price of boots and shoes to-day is 40 per cent lower than it was six years ago. Internal competition, again, has reduced the price.

You did tamper with the woollen schedule, and with baneful results. The duty was 30 per cent net on woollens when you took power and you reduced it to 27½ and subsequently cut off another 10 per cent more on the British preference. What happened to the woollens? There was little or no reduction in price. In some cases there was an increase in the price of woollen goods in Canada over six years ago. You took the duty off fertilizers, I think 10 per cent, and the price of fertilizers has been increased appreciably since. Twenty years ago you experimented and took the duty off binder twine and it has been doubled in price ever since.

But the outstanding feature in tariff tinkering is your operation in regard to agricultural implements. That was a major operation on the part of the King government when it took power in this country. Agricultural implements had a modest protective duty. The duty on binders was 12½ per cent, and it was cut down to six per cent by this government. All kinds of special privileges were granted to manufacturers of agricultural implements in regard to free material. Sales taxes were taken off and the like, and the government proclaimed to the farmers of this country that a reduction in price would follow. The cut was wiped out and every advantage was given them. What was the result? I am speaking according to the book. Take binders and mowers. First I will give the prices of McCormick, Deering and International binders and then I will give the Massey-Harris prices afterwards. A six-foot binder with carrier in the year 1921, the last year of the Meighen government, sold at $235. In 1927, effective now, the price for the same six-foot binder with carrier is $239.

Mr. YOUNG (Weyburn): Any improvement?

Mr. GUTHRIE: None, none of a major character. I have this from a reliable authority; the tariff was taken off and free materials given them. The sales tax of five per cent was taken off, and a binder to-day is just four dollars higher than in 1921. Then take a six-foot binder with carrier and a tongue truck. These are the net cash prices. In December 1921 the price was $252. The price to-day is $254, and the country is out the revenue and the workmen have had to leave Canada. The price of a seven-foot binder with carrier and tongue truck in December 1921 was $258, and the price to-day is $260. The price of an eight-foot binder with carrier and tongue truck in December 1921 was $266, and to-day it is $268.50.

Let us try Massey-Harris prices and see how they agree.

Mr. McLEAN (Melfort): What point does my hon. friend take when he gives the prices?

Mr. GUTHRIE: These prices were all based on Ontario. In the case of Winnipeg it would be the same price but the freight would have to be added.

Mr. McLEAN (Melfort): The retail price?

Mr. GUTHRIE: I am quoting from the retail price lists.

Mr. McLEAN (Melfort): At the factory?

Mr. GUTHRIE: I do not know whether it is at the factory or at the station, but I am giving enough information to let the House know that prices have not been decreased but have been increased. I have not the 1921 prices for the Massey-Harris, but the 1919 prices. The 1919 price of No. 5 seven-foot binder, three-horse, was $233, truck, $9, sheaf-

carrier, $8, total $250. The cash price to-day of a seven-foot three-horse binder is $260, truck $11, sheaf-carrier $9, total price $280. The difference between the 1919 price and the price to-day is $30, and in the interval the tariff has been reduced and sales tax cut off, and the market thrown open for the free importation of raw materials. The farmers of Canada are paying an increased price for binders to-day and the treasury has lost all the revenue. Now I go a step further.

Mr. YOUNG (Saskatoon): Would my hon. friend be good enough to give the House the cost of binders and mowers and that class of goods immediately prior to the last reduction of taxation?

Mr. GUTHRIE: Tell me the year you want.

Mr. YOUNG (Saskatoon): Immediately prior to the last reduction of taxation.

Mr. GUTHRIE: Tell me the year you want and I will give you the price.

Mr. YOUNG (Saskatoon): I want the years 1923 and 1924.

Mr. GUTHRIE: I have the years 1923 and 1924, but not in my hand. I will get them.

Mr. YOUNG (Saskatoon): Will you be good enough to let us have them?

Mr. GUTHRIE: What has been the effect of that reduction in duty upon the trade of Canada, the industry of Canada, and the employment in Canada? Why some of us were shocked in the years 1918 and 1919 to know that the importation of agricultural implements into this country was between three and a half and four million dollars. We believed then, and believe now, that practically all of these goods could have been made just as well by Canadian workmen in Canadian factories, but when the customs tariff on agricultural implements was reduced by the King government when it came into power our friends in the republic to the south of us were not slow to take advantage of the situation. The trade figures received yesterday from the Minister of Trade and Commerce (Mr. Malcolm) are very illuminating on that point. They show the importation of agricultural implements for the years ending January 31st, 1925, 1926 and 1927. In the year 1925, which would be the first full year under the operation of the cut in the tariff, the imports of agricultural implements rose to $6,367,877. In 1926 that figure had risen to $11,632,231, and during the last twelve months it has risen to $17,731,516, almost all of which goods could have been made in this country, and a large percentage of which are now being made at Buffalo and Chicago by Canadian workmen who formerly had employment in Canada. That is a serious matter for the industry of this Dominion. It is a serious loss in implements and wages, and it is a serious loss to the treasury of Canada. We have lost the revenue which would have been received under the higher rate of duty and from sales tax but that perhaps is the least of our losses. All of this time our farmers have been dreaming away in a sort of charmed slumber, imagining they were getting cheaper implements. They have been deceived by the idea throughout eastern Canada and western Canada that the reduction in the tariff on agricultural implements was actually giving them cheaper implements. They will awaken from that slumber some day, and realize the real situation. The day will come when this protection bogey cannot be paraded by the Minister of Railways in the west against the Conservative party. I hope that when the hon. minister goes west next time he will tell the people the actual situation, and I hope he will tell the people of the western provinces that the Conservative party is not a high protectionist party.

Mr. DUNNING: I certainly will not.

Mr. GUTHRIE: Well, then, if I am for the time being the leader of this party, I state it on my responsibility as leader that high protection is not the policy of the Conservative party of Canada. Although I have no doubt the Minister of Railways (Mr. Dunning) will stick to his statement that he will not so admit. However, that is only one of the planks of our platform.

I read the other day, or someone told me, that about seventy or eighty years ago Benjamin Disraeli, at that time leader of the Tory party in England—I use the word "Tory" out of deference to the Minister of Railways, and because we are proud of the name—had but one motto, namely, that the Tory party would always resist revolution and assist progress—one of those neat, epigrammatic statements for which the late Benjamin Disraeli was famous. And, Mr. Speaker, the Tory party in Canada is a party that will always resist revolution. We stand, Sir, for the maintenance of law and order in every corner of the Dominion; and we stand also to assist any progressive movement even though a Liberal government may initiate it. Anything which contributes to the progress and development of eastern or western or central Canada will have our full support. I do not mean, of course,

that we are prepared to support everything without examination or consideration, as my hon. friends over there would seek to have us do. We will examine and investigate, but every meritorious proposal for the development or the advancement of the country, whether in the west, in the east or in the central part of the country, will have our support. That is a leading principle of this party.

This party has a record for progressive legislation second to none. It is a party whose record goes back to confederation year and beyond it; a party which was the first to establish and maintain the fiscal policy of this country upon a sound basis, under which policy Canada has made great measure of progress; a party which first started settlement and development in the west; a party which aided the construction of the first transportation line, in spite of opposition from every quarter of the Liberal ranks; a party which in the dark days of railroading in Canada had in the Right Hon. Arthur Meighen a leader bold enough, courageous enough, confident enough to grapple with that mighty problem which was bequeathed as a legacy from a former Liberal administration—a man who took hold of scattered lines of railway in Canada which were on the point of bankruptcy, some of which indeed were actually bankrupt, and who so arranged matters that we have to-day evolved a great national transcontinental railway system under the ownership of the people of Canada. These are steps in the record of the Conservative party so far as the progress and development of the country are concerned. And we propose to go ahead. We propose to insist that this government shall do likewise and that there shall be no lagging behind in the next few years during which the government may be in office. The last five or six years, so far as any real progress has been concerned, have been nothing short of a disgrace to any government. Hon. gentlemen opposite have done nothing; they have got nowhere. The country to all intents and purposes is just where it was six years ago. We intend to see to it that in the future there shall be no more standing idle, but that the march forward, heralded by the Prime Minister (Mr. Mackenzie King) at Richmond Hill in 1925, shall now begin. The command to march is going to be given and the trumpets are going to sound, and we shall insist on going forward. And if the government goes forward on reasonable, logical and progressive grounds it will have our assistance at every step.

[Mr. Guthrie.]

Hon. J. A. ROBB (Minister of Finance): The budget delivered on February 17 was so well received in this House and throughout the country, by the press friendly to the government as well as by the opposing press, that I had made up my mind not to offer any further observations upon the motion and the amendment thereto, and this not out of any disrespect to my hon. friend from Macleod (Mr. Coote) who presented the amendment, but simply because I felt that hon. members were anxious to get on with the business of the House and also because I knew that every Monday and Wednesday occupied in debating the budget were so many days lost to private members who had certain resolutions which they desired to have discussed. Not until yesterday did I come to the conclusion that I should add a word or two to what I have already said on the motion now before the House; and I wish to assure hon. gentlemen who are anxious to speak before the debate closes that I shall take up but a very few moments of their time.

The official leader of the opposition (Mr. Guthrie) has this afternoon maintained his reputation for eloquence as well as for adroitly skating round the question. I have been associated in public life with my hon. friend for many years. Listening to him this afternoon, I could recall one day down in the old museum where he and I conspired to make some trouble for the then government, and he was, if anything, more eloquent then than he was to-day. The hon. gentleman has said that the debate has been worth while inasmuch as it has brought out some new ideas. With that I agree. Indeed, early in his speech, I had made some notes of points on which I felt inclined to agree with him; I was prepared to agree with him on most of the questions he was discussing, apart from the balance sheet. But as he proceeded to his peroration it occurred to me that my hon. friend should this afternoon be clothed in sackcloth and ashes and should be weeping for his own attacks on that great Conservative party which he has been so loudly praising; because in former days we had no more violent champion in the Liberal ranks than my good friend the official leader of the opposition. I remember how sound he was in 1911 when we appealed to the country on the question of larger and wider markets for western Canada.

I shall not enter into any lengthy discussion of the remarks of the hon. member for Vancouver Centre (Mr. Stevens) and the leader of the opposition regarding the balance

sheet. The budget as presented to the House calls for no defence. In 1924, as I remember, I was subject to attacks of the same nature as those that have been made in this debate, and they did not come from that side of the House either, but from gentlemen on this side who, the following year or two years afterwards, admitted that I had been right. I fancy that when the public accounts come down a year from now my hon. friend from Vancouver Centre and the leader of the opposition will have to admit that on this occasion too I have been in the right. After listening to the speech of my hon. friend from Vancouver Centre I sent word to the department inquiring how it was that Mr. Stevens had arrived at the figures he had presented to the House. The reply came back, "The member for Vancouver Centre has made the mistake of adding together your estimated surpluses with an actual reduction." That would be all right to an ordinary layman like myself, but not to a well posted chartered accountant, so I will have to ask my hon. friend to come down and talk it over with the Auditor General.

Mr. STEVENS: Of course that is not what he did.

Mr. ROBB: Both my hon. friends have also, I believe quite sincerely, overlooked in their calculations the fact that in 1922 we had $144,000,000 of temporary loans which since then have either been paid off or entered in the funded debt.

With the observations of the last speaker in regard to the reduction of expenditure in carrying on the affairs of the country I am quite prepared to agree. The Minister of Finance is never in favour of additional expenditures, but my hon. friend has had experience as a member of a government, and indeed showed this afternoon that in one particular department with which he was once associated, he was not very much in favour of economy. That is the experience of the Minister of Finance; every day for weeks before the presentation of the budget deputations from all parts of Canada come to see him; they come from as far east as Halifax and Prince Edward Island and from as far west as Vancouver. These deputations are about evenly divided between those who desire increased expenditure and those who want economy or a reduction in taxation, and in that way it is rather hard to balance your budget. My hon. friend the leader of the opposition in criticizing our expenditure was very careful not to say what particular expenditure he would reduce. I submit it to the judgment of every hon. member of this House who took part in the last campaign, that while my hon. friends were always in favour of economy they wanted that economy practised in the other fellow's country. Will any person say that the official leader of the great Conservative party in the last campaign was opposed to the construction of the Hudson Bay railway, or that his party opposed the continued deepening of the Welland canal? Those are the two large expenditures which enter into our increase in the estimates as presented.

Before I proceed, Mr. Speaker, if I may be allowed a personal word I would like to thank all hon. members of this House, my hon. friends opposite and hon. gentlemen in the far corner as well as those who sit behind me, for the altogether too kind words used towards myself. I desire particularly to thank my friend who immediately preceded me, speaking as official critic of the opposition.

My friend the former Minister of Finance (Mr. Bennett) tried to represent to the country that our reductions in taxation were pure myths, that they only existed in the imagination of the Minister of Finance, and he submitted a well thought out and carefully prepared statement of percentages to show that the taxes were actually greater than they had been prior to the reductions; he built up a story to show that these reductions, so stated, were but will-o'-the-wisps, to lead the people along. But, Mr. Speaker, the reductions presented to this House in the budget for the year 1926, when a long list of reductions in the income tax was introduced, were not myths to those who had to pay. The man who was called upon to pay $100 in 1925 but who discovered the day after the budget was presented that he only had to pay $30 did not consider it a myth; he had enough money left to buy an additional suit of clothes for himself or for some member of his family. The man with a revenue of $3,000, who formerly had to pay $40 but who in 1926 did not have to pay one cent, did not consider these reductions a myth. The reductions in taxation presented last year gave a wide measure of relief to a large section of Canada. Hon. gentlemen have complained that in some cases the income tax was increased, and I admit frankly to-day as I did last year that in preparing these revisions in the income tax the policy was to make it easier for people with earned incomes rather than for those with unearned

incomes, and I admit that the latter class have to pay a little more. I will deal with that in a moment, however.

My hon. friend said that the reductions in the sales tax did not amount to anything, and he submitted a list of percentages to show that there was an increase this year as compared with last year. No person knows better than does the ex-Minister of Finance that the reductions in the sales tax were very real. As a matter of fact the reductions in that tax this year are not the only reductions which have been made by this government since it assumed office. In 1924 we made sweeping reductions in the sales tax, exempting altogether most of the agricultural machinery and the implements required for the other basic industries of mining, lumbering and fisheries. At that time hon. gentlemen opposite opposed those reductions, which in that year amounted to $24,725,000, in round figures. In 1925 we made further reductions in the sales tax amounting to $400,000 and in 1926 we again reduced that tax either by exempting certain articles altogether or by reductions which brought about a loss of $300,000, while this year it is estimated that the reduction will amount to about $16,000,000. Altogether since this government has been entrusted with the responsibilities of office we have made reductions in the sales tax totalling over $41,000,000.

My friend the leader of the opposition (Mr. Guthrie) said, "Yes, it is very true that you have made certain reductions in the sales tax but you increased the sales tax," and he quotes certain figures to show that that sales tax at a certain period of 1922 was 2½ per cent, and that we had increased it to 6 per cent. What are the facts? In 1923 that tax was increased by Mr. Fielding to a maximum of 6 per cent. The average under the old tax enacted by my friends the Conservatives when Sir Henry Drayton was Minister of Finance was 2½ per cent. But that tax was capable of pyramiding; in many cases, notably boots and shoes, it was pyramided until the actual tax was 8½ per cent. Boots and shoes were taxed from the hide right through the leather and from the wholesaler to the retailer, and instead of that tax amounting to 2 per cent, as is the case this year, it was 8½ per cent under the administration of my friends opposite.

The same statement would apply to clothing; the leader of the opposition found some fault with me because I did not altogether wipe out the sales tax on clothing. That is not original with my hon. friend; we had delegations coming to the office representing different industries, among them gentlemen who said they represented the clothing industry, but at the same time we had letters warning us to be careful of these representatives, who were urging that we altogether remove the sales tax from clothing. Now I had an experience of that in 1924, when I reduced the sales tax on boots and shoes from six per cent to three per cent. And what was that experience? There are widely scattered throughout this country, for instance, many clothing merchants with small capital. At the present they buy a stock; they pay the sales tax. But the next day the Minister of Finance presents his budget, and he wipes out the five per cent sales tax. Well, when that is done it takes away five per cent of that merchant's capital. That is a hardship upon him, and I say frankly to my hon. friends opposite —as I said to this delegation, and they agreed with me—that the proper method of reducing this sales tax—and I agree with my hon. friends that as fast as possible the sales tax should be taken off—is to take it off gradually so that it will do no harm to anyone.

I said a moment ago that I was not going to follow my hon. friend in his attack on the balance sheet as presented, but one conclusive proof that this government has reduced the funded public debt of this country and reduced also the charges which the people are compelled to pay for carrying that funded debt, is the fact that the interest charges upon that funded debt have been considerably reduced. If a man with a mortgage on his farm pays $100 in interest this year and only has to pay $80 next year, he knows that the mortgage has been reduced to that extent.

Mr. BENNETT: Or the interest rate.

Mr. ROBB: But the reduction in the interest does not account for all the reductions that I would show here. In 1921-22 the total interest charges amounted to over $135,000,000. In 1922-23 the interest charges amounted to $137,000,000. My hon. friend made a reference to the public accounts. Well hon. gentlemen opposite can refer to the volume for themselves and on page 46 they will find additions that were made to the public debt during their administration. What was the total interest on the public funded debt last year? It amounted to $124,000,000, as compared with $137,000,000 in 1922-23. That, Sir, is the answer I give to my hon. friend.

Now let me deal briefly with the amendment of my hon. friend from Macleod (Mr. Coote). I can quite understand the necessity of keeping a party together by proposing an amendment that they can all get together on and vote for, but I think my hon. friend will find himself in rather an embarrassing position

when he goes back to his electors, because I wonder if he will not find on the platform opposed to him—none of us are elected by acclamation; I have never had that experience and I imagine my hon. friend will be no better off—some person who will get up on the platform and quote Hansard to show where this hon. gentleman asked me to do some of the very things that I am doing to-day, that is, making reductions in the taxation. Now my hon. friend in his attempt to defeat the government—because the motion if carried can have no other effect—will be accused of putting into power a gentleman who this afternoon made a speech indicating that if he and his friends got into office the tariff on some articles in this country will be so high—as said by one of their supporters in my hearing in the last election—that the sun could not shine over it on St. James street, Montreal, until half past eleven in the morning.

Mr. BENNETT: I am sure the minister will agree that is not what the leader of the opposition said this afternoon.

Mr. ROBB: I admit that my hon. friend the official leader of the opposition, speaking this afternoon, made, with his customary ability, a speech that could be read both ways. I thought at first that he was going to enunciate a new policy and that we were not going to be so very far away on questions of tariff policy. I thought that when he was advocating a policy for the great west he was recanting somewhat his own attitude in 1924 when we brought in a tariff policy we thought was of great advantage to the west.

Mr. BENNETT: Let the hon. gentleman speak for the Liberal party, not for the Conservative party.

Mr. ROBB: I discovered that my hon. friend had not introduced any new tariff policy, but simply the old tariff policy of 1908 —adequate protection with a new turn to it, so that hon. gentlemen opposite could use it in any part of the country.

Now I come to the observations of the hon. member for Macleod regarding the income tax, and I am going to remind my hon. friends again of the reductions that were made last year as applied to the earned income, the reductions that wiped out the income tax altogether as regards many people throughout this country. My hon. friend was in the House and he will recall that I was attacked, as I have been in some degree this year, for having increased the taxes on many; and it is true we did. But my hon. friend argues that the income tax in all cases is a direct tax. I admit that to a considerable degree the income tax is a direct tax, that impression prevails throughout the country; but when you look carefully into the figures, as I have had the opportunity of doing, and look carefully into the sources from which we get this taxation, it will be discovered that it is not altogether direct tax. When I say that I want hon. gentlemen to keep in mind that what I am going to say now applies to all the provinces of Canada. In the year I am quoting we received something over $55,000,000 of income tax. Hon. gentlemen may be surprised to know that of that $55,000,000 over $31,000,000 was paid in by 5,738 corporations. Now you may argue as you like, but the corporations will pass that tax back to the consumers somewhere. In Prince Edward Island there were 42 of these corporations, in Nova Scotia, 220, in New Brunswick, 220, in Quebec, 1,159, in Ontario, 2,397, in Manitoba, 481, in Saskatchewan, 226, in Alberta, 282, in British Columbia, 702, and in Yukon, 5. These corporations contributed in the aggregate over $31,000,000 of the $55,000,000 collected.

Mr. MATTHEWS: Will the minister permit a question?

Mr. ROBB: Yes.

Mr. MATTHEWS: I presume the tax of which he is speaking, namely, the income tax upon corporations, is a tax imposed on profits that have been earned and declared.

Mr. ROBB: Yes.

Mr. MATTHEWS: Will the minister kindly explain how such a corporation, paying that tax after its profits have been made and declared, passes that tax on to the consumer?

Mr. ROBB: Every corporation, like every business man, plays safe, and takes profits enough to provide for insurance, wear and tear, and the general conduct of the business. That is my answer.

Mr. MATTHEWS: Is not that answer based on theory and not on practice?

Mr. ROBB: I am not disposed to enter into an argument with my hon. friend. I have simply stated the fact that out of the $55,000,000 of income tax collected more than half of it was paid by corporations and not by individuals.

Mr. MATTHEWS: Should not the minister be careful not to make the statement that a corporation necessarily passes that tax on to the consumer without knowing the facts?

Mr. ROBB: If my hon. friend thinks that the corporations are philanthropists he entertains a different view from what I do.

Now, my hon. friend the official leader of the opposition did give some reasons this afternoon for the opposition which he and his party presented to the budget brought down in 1924 when we made such sweeping reductions, particularly on agricultural implements and on the implements and tools required by the farmer, the lumberman, and the miner. He told us this afternoon that there were many members on that side who were now astonished at the size of the west. We on this side were not astonished at the size of the west. We knew of the size of the west, and it was because we believed that a really national policy for Canada was one that would appeal to western Canada, that in 1924 we braved the opposition of hon. gentlemen opposite and reduced the duties to such an extent on agricultural implements. This afternoon my hon. friend argued first that there should be greater immigration into this country. Then he proceeded to tell us of the great harm we had done to the producers on the land because we reduced the duties on agricultural implements. The inference was that if he was returned to power, he would increase the duties and so he would induce people to come to Canada by charging them more for the agricultural implements which they required to purchase.

Mr. BENNETT: Surely the minister will agree that the leader of the opposition pointed out that before this government reduced the duties, the prices of agricultural implements were lowered.

Mr. ROBB: I know the hon. gentleman argued that by our reducing the tariff the price of implements was increased. The only conclusion possible is that if you want cheaper implements, you must put the tariff up higher.

Mr. ROWE: As a purchaser of farm implements I would ask the minister if he can name one implement of the farm to-day that can be purchased cheaper because of the minister's reduction in the duty on farm implements?

Mr. ROBB: That proves that my hon. friend was voicing the sentiment of his subordinates in that they desire a higher tariff in order to get cheaper implements.

Mr. CLARK: A tariff that will protect.

Mr. ROBB: My hon. friend said that we took good care not to reduce the duty on boots and shoes—

Mr. LADNER: Mr. Speaker,—

[Mr. Matthews.]

Some hon. MEMBERS: Sit down.

Some hon. MEMBERS: Order.

Mr. LADNER: An hon. gentleman who is held in such high esteem in this House as the Minister of Finance is expected to answer questions so as to enable members to understand the situation. Is it not a fact that the real argument of the leader of the opposition was that the tariff was not the determining factor in the fixing of prices, but that prices were fixed by other factors? Is the minister fair in stating the matter in the way he did?

Mr. ROBB: Why then should my hon. friend have devoted, as he did, twenty minutes of his speech to attacking this government for having reduced tariffs? The official speaker for the opposition said that we took good care not to reduce the duty on boots and shoes. Was that intended as a preparation for the next campaign, or was it an attack on his former leader and on all speeches made on that side of the House during the past two years? Because we have been accused in this House by hon. members opposite of having ruined the boot and shoe industry of Canada. I can recall when we spent long days and nights here listening to speeches of hon. gentlemen opposite who accused us of having reduced the duty on boots and shoes and of having thereby ruined the boot and shoe industry of this country.

I must keep my promise not to detain the House at any great length.

Mr. STEVENS: Will the minister, before he concludes, be good enough to allow me a question?

Mr. ROBB: Yes.

Mr. STEVENS: Will the minister kindly explain his announcements: first, of April, 1924, of $20,000,000; second, of March, 1925, of $35,000,000; third, of April 15, 1926, of $22,000,000, and fourth, of February 7, 1927, of $31,000,000, a total of about $110,000,000, in each case announced as a reduction in the public debt? Will he be good enough to explain how he harmonizes those officially announced reductions in the public debt with this fact that the funded debt in 1926, as officially reported in the public accounts, was $2,471,000,000 and, in 1922, was $2,420,000,000, in other words $51,000,000 higher in 1926 than in 1922, from which must be taken the reduction of $35,000,000 that was not shown in these figures, there being left a net increase in the funded debt of $16,000,000?

Mr. ROBB: My hon. friend has very skilfully put into Hansard alongside of my speech a part of his own speech. That is my

hon. friend's own statement. I answered my hon. friend when I rose by saying that in the department they had said that Mr. Stevens had made the error of adding estimated surpluses to actual reductions, and I leave him to settle that with them.

Mr. STEVENS: Mr. Speaker—

Some hon. MEMBERS: Order.

Mr. STEVENS: I rise to a question of privilege, and I will state the question of privilege well within the rules. My hon. friend, for whom I have a high regard and who usually is absolutely fair, has stated that in my speech I have wrongfully added certain figures, and he has also intimated that I have wrongfully presented them to the House now. The question of privilege is this, that I have quoted precisely from the Finance Minister's previous budget speeches officially given in this House and not from any other records. I have not wrongfully added those figures. I have quoted them precisely as he gave them to the House.

Mr. ROBB: My hon. friend will admit that I did not say that he had wrongfully done so. I said the department claimed that he had made the mistake of adding the surpluses to the actual reductions.

Mr. STEVENS: I state again that I did nothing of the kind.

Mr. ROBB: I leave it to my hon. friend and the Auditor General, who audits the public accounts, to straighten this out. This is not the first attack I have had as to balances. I had the same attack in 1924 from an hon. gentleman on this side. I am accustomed to that and my hon. friend will probably next year make the same admission as my other hon. friend made, namely that he had been in error in his calculations.

Mr. STEVENS: That is not a fair representation.

Mr. ROBB: Maybe not, but I am concluding. The issue before us now, if I understand it aright, is that my hon. friends opposite will be able to vote for this amendment along with my hon. friends in yonder corner, because my hon. friends in that corner say that we have not gone far enough in tariff reductions. Surely they have short memories. Surely this ministry has been attacked often enough and loud enough for them to know where we stand on the tariff. We are recognized throughout Canada, and we are proud of it, as the low tariff party. We ran the risk of taking our political lives in our hands in 1925 to go to the country and appeal on our policy—a real national policy that would appeal to all the provinces of Canada, not merely to any one particular section, and knowing, Mr. Speaker, that we are right and sound in our policy, and knowing that the people back in the concessions are with us, we await this vote without any fear.

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

PRIVATE BILLS

PRECEDENCE OF MOTION UNDISPOSED OF ON EXPIRY OF HOUR FOR PRIVATE BILLS

On the order being called:

Further consideration of the motion of Mr. Chevrier for the second reading of Bill No. 78, an act respecting the Montreal, Ottawa and Georgian Bay Canal Company.

Mr. C. H. CAHAN (St. Lawrence-St. George): I wish to raise a point of order. I have no objection, so far as I know, to bill 78 or its discussion in this House, but I wish to call Your Honour's attention to the fact that the votes and proceedings in this House on Friday the 25th contain the following:

Mr. Chevrier moved,—That the bill No. 78, an Act respecting the Montreal, Ottawa and Georgian Bay Canal company, be now read the second time.

And a debate arising thereon;

The hour devoted to private bills having expired; ;

The House resumed the Debate on the proposed motion of Mr. Robb: That Mr. Speaker do now leave the chair for the House to resolve itself again into committee of ways and means, and the proposed motion of Mr. Coote in amendment thereto.

I desire to point out to Your Honour that the debate was not adjourned. No motion for adjournment was put to the House by the Speaker. I further call Your Honour's attention to rule No. 25, which reads:

Fridays.

(From eight o'clock p.m.)

Private bills for the first hour.

Then I refer to rule No. 33, which reads:

Motions not disposed of.

If at the hour of six o'clock, p.m., on a Wednesday, or at the time of the adjournment of the House, a motion on the notice paper be under consideration, that question shall stand first on the order paper of the following day, next after orders to which a special precedence has been assigned by rule or order of the House.

That rule applies solely to motions not disposed of at six o'clock p.m. on a Wednesday. With respect to a motion not disposed of at

nine o'clock, on Tuesdays and Fridays, dealing with a private bill, there is no rule of the House to the same effect, namely, that if it is not disposed of it shall have preference on the order paper of a following day, and I submit to Your Honour that in order that it may continue to have precedence a special rule is necessary. Paragraph 322, discussing rule No. 33, provides:

It is more favorable to the progress of a motion on the order paper that the debate should not be adjourned on Wednesday at six o'clock, because the motion shall then stand on the order paper for the next day as stated in this rule; if debate is adjourned, the motion goes to the foot of the orders.

That is on Wednesday, but a further note under rule No. 33, paragraph 323, in the last sentence, says:

On other days,—

That is other than Wednesday.

—if debate is not adjourned, the question is superseded.

The debate not having been adjourned on a Tuesday at nine o'clock, the question is whether the order that this particular bill, No. 78, should be moved a second time and go to the standing committee, was superseded, and the bill improperly placed by an official of the House on the order paper in the position in which it now stands; the official not being authorized to place it on the order paper in that position except by resolution of or by consent of the whole House. I am aware, Mr. Speaker, that there are precedents where a private bill has been discussed on the second reading up to nine o'clock, and resumed on a following evening at eight o'clock, but I have looked through these precedents one after the other and in no case was the objection ever raised. I submit that when the objection is raised the ruling must be in accordance with what I suggest is the proper interpretation of the rule.

I disclaim any desire to interfere with this bill. I have my own opinion as to the procedure sometimes taken to talk out bills until nine o'clock, but if the preference with reference to this bill is to be continued on Tuesdays and Fridays for one hour, as now seems likely, it precludes the orderly progress of the business of the House and prevents other private bills from going before the proper committees where they can be disposed of in due course. It is with a view simply and solely of facilitating the business of the House and the business before the committee on private bills that I raise this objection.

[Mr. Cahan.]

Mr. E. R. E. CHEVRIER (Ottawa): I quite appreciate the position in which the hon. member finds himself. During the afternoon the hon. member asked me if I would consent to this bill standing over. I pointed out that it would have been with the greatest pleasure—

Mr. CAHAN: Only for fifteen minutes or half an hour.

Mr. CHEVRIER: —that I would have met his desire, but the situation in which I find myself now is not of my making. When I introduced this bill last Friday I was particular, Sir, in pointing out to the House the advisability of allowing it to go to the committee to which it should have gone, namely, the committee on railways and canals. For some reason best known to the hon. member for Argenteuil (Sir George Perley) the discussion was protracted past nine o'clock. At this moment I cannot say whether it is the desire of those who oppose the bill to make use of the usual tactics, reprehensible as I believe them to be, of talking the subject out. I have never had any use for such a practice. Possibly it is well within the rules of the House and it may be in accordance with British practice; but I do not think, Sir, that it is in keeping with British fair play. Since Friday evening last I have been interviewed by a number of gentlemen who practise at the Ottawa bar and who have represented that a large number of bills were being tied up. But I cannot recede from the position in which I find myself, through no wish on my own part. If the hon. gentlemen who desire to talk the bill out intend to continue doing so, those who come after us must suffer.

It is for you, Sir, to decide the point of order. But the practice of the House as I have always understood it is that when a bill of this kind has been discussed until the hour of nine, then automatically, without any motion to adjourn the debate or otherwise dispose of the subject, the debate stands adjourned until the next hour for the consideration of private bills. So well understood is this practice that the hon. gentleman most interested in talking the bill out, the member for Argenteuil, who evidently is anxious to have the discussion postponed, failed to make the motion himself. And no one in this House will tax the hon. member for Argenteuil with a lack of knowledge of the rules. The hon.

member has mentioned two rules. First he has referred to rule 25, which provides:

The ordinary daily routine of business in the House shall be as follows:—
Presenting reports by standing and special committess.
Motions.
Introduction of bills.
First reading of Senate bills.

That rule may apply to what the hon. member has said, but I would refer the House to rule 33. If my hon. friend (Mr. Cahan) will read that rule I think that with his long training at the bar he will admit that he was skating on thin ice. The rule reads:

If at the hour of six o'clock, p.m. on a Wednesday, or at the time of the adjournment of the House—

The day in this case was not one of those contemplated in this rule, and nothing that the hon. gentleman has said is relevant. It was not six o'clock, nor was it a Wednesday.

—a motion on the notice paper be under consideration—

This was not a motion in the ordinary sense of the word; the bill in question simply came up for second reading in the ordinary course of procedure. No one can possibly construe the motion for the second reading of this bill as a motion in the ordinary sense, such as is to be found on the order paper. In the event of such a motion being made, the rule provides that the debate shall be superseded.

I submit that the point of order is not well taken. I understand that there are a number of hon. gentlemen who have bills that are to come up subsequently to this; there are probably between thirty and forty such bills. If the disposition of this particular bill is to be retarded in the manner threatened I am sorry for other hon. gentlemen. I submit, Mr. Speaker, that in this particular instance it was not necessary that a motion to adjourn the debate should have been made. Following the practice which has always prevailed in this House, I contend that the discussion of Friday night was automatically continued over to-day. If not, why should the hon. gentleman complain? I submit, Sir, that Bill 78 should be again considered.

Mr. SPEAKER: On Friday evening at nine o'clock the hon. member for Argenteuil (Sir George Perley) was discussing the bill respecting the Montreal, Ottawa and Georgian Bay Canal Company, and the hour for the consideration of private bills expiring then, he resumed his seat without making a motion to adjourn the debate. Nothing in the rules of the House, nor in the precedents, usages and customs of parliament, required him to make such a motion. My attention on that evening was directed to the fact that the hon. member had made no motion to adjourn the debate. I thereupon consulted Bourinot and the precedents cited by him at the foot of page 227 of the fourth edition. I discovered to my great surprise that many years ago, possibly twenty-five years since, I piloted a bill through the House when the same situation arose. That bill related to the Hull Electric Railway, and on the hour for the discussion of private bills expiring, it automatically went over to the next day allotted to such bills, no motion having been necessary for the adjournment of the debate in that case. The circumstance is cited by Bourinot at the page I have mentioned. Bourinot says:

If a private bill is under consideration on Tuesday and Fridays, after eight o'clock and the debate is not concluded thereon at nine, a member may call the attention of the Speaker to the fact that the hour allotted to such subjects under the rules has expired, and the question will thereupon go over until another day, when it will be taken up at the same stage where its progress was interrupted.

The cases cited under that dictum of Bourinot are to be found in Canadian Commons Journals, 1896, second session, 105, 112, Hull Electric Railway, and also in the year 1899, 106, 118 and 119, Ontario and Rainy River Railway. The same point presented itself in the year 1898.

Of course, I perceive the anomaly of the situation, and I cannot help wishing that there were a positive rule governing such cases. Every hon. member will readily understand that one contentious bill arising in this way might obstruct the passage of a whole series of others following it, and that is what is happening in this instance. The only thing I see to be done, as has been done to my knowledge before, is for the House to favour an agreement between the contending factions in order to let the business of the House proceed regularly, or take upon itself to let unopposed bills pass first. When there is a conflict of opinion as between the various parliamentary authorities, the Speaker may seek the judgment of the House. In the present instance there is on one side Bourinot and the precedents cited by the hon. member for St. Lawrence-St. George (Mr. Cahan) when the question was not raised in the House but was decided by the Clerk. Then, as against Bourinot, there is the present Clerk of the House of Commons, who, in paragraph 323 under rule 33, says:

This rule seems to apply to Wednesday only, the words "or at the time of the adjournment of the House" referring to that day, according

to the interpretation given by Bourinot, third edition, pages 336-337. Its purpose is to keep the motion on the order paper though on Wednesday the House may rise without debate being adjourned because at six o'clock on that day the Speaker adjourns the House without question put. On other days, if debate is not adjourned the question is superseded.

That is to say, according to Beauchesne, the question under discussion loses its place and goes to the bottom of the list. In the present case I think I am only doing justice to all parties in asking an expression of opinion from the House as to whether or not, in view of the conflicting circumstances, the bill should not head the bills which are opposed. In view of the opposition raised, this bill will block the whole list of private bills. If the House thinks it proper the unopposed bills might be called first. Is it the pleasure of the House that Bill No. 78 should give way to unopposed bills and should take precedence over all other opposed bills? I will judge the consensus of opinion of the House by the yeas and nays.

Hon. LUCIEN CANNON (Solicitor General): Before the question is put, Mr. Speaker, I would like to understand it as it is placed before the House. How are we to know which bills are unopposed? We do not know in advance.

Mr. SPEAKER: From my experience, generally the bills are called and those who have some opposition to voice do so.

Mr. CANNON: When should that opposition be voiced? Supposing we should decide to give way to other bills, and find the first bill called to be an opposed bill?

Mr. SPEAKER: In the present instance I do not propose to put this bill at the bottom of the list. I suggest that the House first deal with the unopposed bills, of which I believe there are a great many. Otherwise the situation will be as has been very clearly pointed out by the senior member for Ottawa (Mr. Chevrier); the whole hour will be taken up in the discussion of this present bill, and the same will apply on Friday. Under the circumstances I believe that the House should express its opinion and thus declare if this bill shall have precedence. Is it the pleasure of the House that Bill No. 78 should give way to unopposed bills?

Upon the yeas and nays being taken:

Mr. SPEAKER: In my judgment the nays have it and the present bill must keep its precedence.

[Mr. Chevrier.]

MONTREAL, OTTAWA AND GEORGIAN BAY CANAL COMPANY

The House resumed from Friday, February 25, consideration of the motion of Mr. Chevrier for the second reading of Bill No. 78, respecting the Montreal, Ottawa and Georgian Bay Canal Company.

Sir GEORGE PERLEY (Argenteuil): May I say in opening that the hon. member for Ottawa (Mr. Chevrier) is an old friend of mine, and I am rather surprised to have him accuse me of not playing fair. I do not suppose he really meant it in the strict sense of the word, but it seems to me that those promoting the bills which follow this might accuse even my hon. friend of a lack of fair play. I do not consider this a private bill in the ordinary sense of the word. Private bills come here in large numbers at every session, and in most cases they deal with incorporations or alterations of charters of companies really of a private nature, but in actual practice this is a public affair having to do with the building of the Georgian Bay canal. Although it is classified as a private bill, my reason for speaking now is because I consider this actually a bill having very much to do with the public. I therefore think it only right that hon. members of this House who live far away should be informed of the facts in regard to this matter. So far as I am concerned I have no expectation or idea of trying to keep this bill from going to committee; we all know very well that cannot be done and we have no wish to do so. We do wish, however, to have it fully discussed here before going to committee in order that it may be thoroughly understood by everyone.

When speaking the other evening I gave the House a brief history of the Georgian Bay canal according to my memory, and I was in Ottawa during that time and in the House for many years when this was then under discussion. I desire to say now, Mr. Speaker, that conditions in Canada have changed tremendously in the last thirty years; we have a new generation, and in many ways it is not the same world at all that it was in 1894. At that time the first bill having to do with this canal was promoted and passed in this House, and at that time very few of us had any idea that water-power would become of such great value. I know more or less about the various waterfalls of the Ottawa river, and it is fifty years since I saw some of those above Pembroke, and at that time the only thing in our minds was how difficult these waterfalls made the bringing down of

our logs and timber. No one had any idea whatever, and there was no suggestion, that these water-powers would some day become a vast source not only of wealth but of comfort to the people of Canada. Now everything is different. There has been a tremendous development in water-power since discoveries have been made as to how best to use electricity or the power that is generated. In fact I may say without exaggeration that water power and the electricity generated from it constitute really the lifeblood of this country. We have many industries here that could not exist without water-power, and it is specially valuable in this northern country where we have a cold winter, and particularly in the centre of Canada where there are no visible supplies of coal. These water-powers provide us with our white coal, and I do not think I am exaggerating when I express my honest belief, in view of the progress of electrical development, that we or our children will see the time when we shall use it not only for power but for heating our houses thus taking the place of those vast quantities of coal that we import from the United States every year and pay for with our good money

Now the Georgian Bay canal charter gives to the company certain water rights. I am not a lawyer but I find these rights ill defined and their meaning very difficult to grasp, and there are certain contingent rights provided for. The question of the relationship of the Dominion and the provinces with regard to water and water-powers has been under discussion off and on during all the years since confederation. I believe it is generally conceded now, that the provinces own the land under the water and the water that runs down the streams, with the sole exception that the Dominion has a paramount right for navigation purposes and for navigation purposes only. In building a canal, which the Dominion government has the right to do, they have to use a certain amount of water, and they are entitled to take that amount of water but no more. I think that if this charter is to be continued it should be made perfectly plain what water rights it purports to grant, and to confine them entirely and strictly to water that is required for canal purposes.

I notice that when the newspapers and individuals also have discussed this question of late they are apt to refer to Carillon power; they talk about the Carillon problem and the Carillon question as if that were the only one at issue. I have heard people say: Why this is a matter between a company in Montreal and the Georgian Bay Canal Company. As a matter of fact, Mr. Speaker, the site of the Carillon water-power is in the county of Argenteuil which I have the honour to represent, and we want that power developed as soon as possible. People down there have been looking forward for years to the development of this power in order to bring industry there and to afford employment to the residents. They are tired of waiting for its realization, and I do not blame them. I may say that to my surprise in the election of 1925 one of the gentlemen from Montreal who was interested in the lease of the Carillon power given to them by the Department of Railways and Canals came into the county of Argenteuil and opposed me very strongly on the ground that I had not done enough to help on the development of this water-power. Now that all originated from the fact that at that time there was a lot of discussion as to whether the power, after being developed, could be exported or not. I am not going to go all over that question because it has nothing to do with the point I am trying to make this evening, but I want to say that people down there are not much interested as to what company develops the Carillon water-power. They simply wish the development to be carried out and carried out as quickly as possible, but on the distinct understanding that there shall be no authority to export the power after it has been developed. I mention this because the reference in the newspapers, and by individuals, to the Carillon water-power is very misleading.

I want the House to understand that although the Carillon water-power is a large one it is only one of many. There are a dozen or more water-powers on the Ottawa river as large or nearly as large as the Carillon water-power. So that the Georgian Bay canal project, although discussed as having reference solely to the Carillon water-power, really refers to all these water-powers on the Ottawa river and on the Mattawa and French rivers as well. The Ottawa river has an immense capacity for water-power; It has been estimated at well over a million horse-power. That is the quantity of power which we are considering to-night if the Georgian Bay Canal Company has any authority in regard to developing the same. The Ottawa river is practically a succession of lakes and rapids, so that a good head can be obtained at eight or ten different points on that river at each of which a very large quantity of horse-power can be developed. In addition to the Ottawa river there are the Mattawa river and the French river. They are not as large streams as the Ottawa but still up towards the height of land the fall is great and consequently they are valuable

also from the point of view of power development. I only mention these facts to show to you that in considering this question we are not considering merely one water-power, or any dispute there may be between two companies. As to the latter point I have nothing to do whatever, but I do say that if the charter of the Georgian Bay Canal Company is going to be extended it should be definitely stated in it that the company have no right to any water except what is required for canal purposes.

Some people say: Why, we can get the canal without any cost if the power rights go with it. The canal can be built and the water-powers developed without any cost to anybody if these rights go together. I claim that that is a confusion of ideas: it is not a fair way to put it, and the argument cannot be maintained. No one can build a canal without cost, and if the power rights are to be used for that purpose, and the value of the power is to be used to pay for the cost of building a canal it means that the power developed will bear the cost of the canal and the power users will have to pay for it. If this canal is going to be built, either by this company or by any other company, the project should be considered on its merits. If the canal is still required in the interests of the trade of this country, it should not be mixed up with the power development, nor should users of power in Ontario and Quebec be called upon practically to pay for the canal. Moreover, if the idea could be carried out, that is if the power development and the canal scheme were combined, and the profit on the power used to build the canal, that would to my mind infringe upon provincial rights and deprive the people of those provinces of the cheap light, heat and power which they so much need. If the water-powers were developed on their merits without any reference to the canal, our people would secure this cheap light, heat and power which, as I said before, is so vital to their prosperity and comfort.

If the power and the canal scheme were to be developed each on its own merits, this could be done only with the coöperation of the provinces and by arrangement with them. Last Friday evening, when I was discussing this matter, I said that I had no objection to any group of men spending their money to build the Georgian Bay canal if they saw fit to do so. I did not mean by that that they should use the profits from the power development to build the canal. If they are going to build the canal they should build it at their own cost, and my contention is that under present conditions this is something they will never do.

[Sir George Perley.]

I said the other evening and I reiterate that I do not consider this in any sense a party question, and I hope it will not be taken up in any such spirit. As a matter of fact I have looked over the list of directors, the last named in this series of fourteen different bills renewing the charter of this company, and I find there are five gentlemen, two of whom are old friends of mine and Conservatives, one is a Liberal and I do not know what the politics of the other two are. Those are the men who are put down as directors. As to who at present controls the charter, I do not know and I have not been informed. Rumour is busy regarding this and perhaps I may be allowed to read an extract from an article in the Citizen of the 7th September last, dealing with this subject. The article reads:

> The situation must be frankly recognized, however: there would be no economic justification for building the Georgian bay canal at this time. There is no lack of transportation lines for the grain movement. There is congestion in the port of Montreal when the harvest begins to pour down from the west, but another canal would contribute nothing towards the solution of Montreal's problem.
>
> The Canadian people own a magnificent railway line from Winnipeg to the port of Quebec, the National Transcontinental, which is far from being adequately used. It would be more economical to fix a rate for grain transportation on the National Transcontinental to compete with lake shipping rates, than to build another competitive canal.
>
> There is no remote likelihood that the interests behind Mr. Sifton would put money into the construction of any such canal. But it is quite likely that money would be forthcoming to set up a great hydro-electric power monopoly, privately controlled, along the route of the Georgian bay canal.
>
> Mr. Sifton might as well realize that the day has gone by in Canada when public opinion would allow that monopoly to be established. The people of Ontario have reason to know the value of hydro-electric power resources. Public ownership has given this province an unrivalled electric service. People in other parts of Canada are similarly awakening to the advantages of public ownership of public utilities.
>
> Private enterprise on the Georgian bay canal is just about twenty years behind the times. The canal may be built some day. It would contribute to the industrial development of the country of which Ottawa is the commercial hub. But no government could long survive the storm which would properly rise in Canada if it were to fall in with the plans of Mr. Sifton.

That is from the Ottawa Citizen of September 7, 1926, a paper that is certainly not considered as supporting the Conservative side of politics. I am sorry the Minister of the Interior (Mr. Stewart) is not in his seat. Last year the question of the St. Lawrence canal project was being discussed in this House for quite a length of time, and I was pleased at

that time to find the Minister of the Interior so frank in his statement of the situation. If I may be permitted, I wish to read a couple of extracts from what he said on that occasion. This is what the minister said in April, 1926, as reported on page 2192 of the revised Hansard:

May I say that there is no dispute so far as this government is concerned with respect to the ownership of the water-powers, or no dispute as to the ownership of the bed of the streams out to the point where the international boundary intervenes. So far as I know this government have never raised any question as to ownership. Nor does this government raise any question as to the right of Ontario to develop that particular power or any power along that reach.

That acknowledges the right of Ontario in the water as fully as anybody could acknowledge it, but there is more. On page 2194 of the revised Hansard the Minister of the Interior says further:

I wish again to emphasize the fact that we are in entire agreement with the Ontario government. There is no dispute about their ownership of the power or the land to the international boundary. If they want to develop there would be no holdup, so far as the federal government is concerned. I should like to see the hydro development on the Ottawa river.

Mark you, the Ottawa river.

It seems to me there is a great opportunity for such development there. However, they have set their hearts on the development of the St. Lawrence, and it is the business of this government to do everything they can to facilitate that development.

From that I take it that it would be impossible for the Minister of the Interior to support this Georgian Bay canal bill. I appeal to him on the basis of his words of last year to support those of us who do not think the Georgian Bay Canal Company should receive any rights to water except what they require for canal purposes. The other day the minister waxed quite indignant with the hon. member for Vancouver Centre (Mr. Stevens) when the old problem about the export of Carillon power was under discussion. Therefore, if the minister were in his seat, I would say to him: I take it for granted that you will support those who are opposed to the renewal of this charter in its present form. Further than that, I take it that the government cannot support this bill without violating the resolution which they agreed to last year. This is the resolution which was being debated and regarding which the minister made the remarks that I have quoted:

That in the opinion of this House, the government of Ontario and the Hydro Electric Power Commission of Ontario should be given leave forthwith to develop and generate power on the St. Lawrence river at what is known as the Morrisburg dam, and should also be given power to use an increased flow of water from the Niagara river—

And so forth. That will be found in Hansard of 1926 on page 2182. The resolution goes on to say:

—and that this House will support the government in taking such immediate action as herein proposed without further delays in accordance with the application of the Ontario government.

I am very happy to find, Sir, these quotations of what was said by the minister, and also the views of the government as expressed in this resolution. But, Mr. Speaker, I would like to know whether the promoters of this bill really intend to build a canal or not. The reason I ask that is that I find at the end of the first section of the proposed bill the following words:

—or if the said canals are not completed and put in operation within the said periods respectively, the powers granted to the company by parliament shall cease and be null and void, as respects so much of the said canals and works as then remains uncompleted.

In other words, if the government were dissatisfied with the way the company was carried on they might develop a water-power and not build a canal at all, and all the government could do would be to say: Well, that is not satisfactory; it is not in accordance with your contract. Under the clause as it is worded here the company would then claim that they had a right to keep the works they had already developed. I cannot see the object of putting that in at all. It seems to me a most dangerous clause, and I think it should be altered when the bill is taken up in committee.

But that is not all. Apart from the important question of water and water powers, I would ask this House, what about public ownership? In 1894 public ownership was not a vital question in Canada, but it is today. We have embarked upon two of the greatest public ownership enterprises in any country in the world. We have our national railways, and we have a free system of canals. Thirty years ago tolls were charged on the canals, but there are none now on the government canals. Is there any member of this House who is a believer in public ownership who could vote to renew this charter for the Georgian Bay Canal Company, which is empowered to charge tolls on the canal on the Ottawa river? Is that consistent with the feeling of those who are in favour of public ownership? Are we going to have the Do-

minion government canals, built by the people of Canada, free, and at the same time have tolls charged on the Georgian Bay canal, built by a private company? It would simply mean that our railways would have a competing water system, run by a private company, and authorized to charge tolls. If this matter of building a canal is going to be considered, it seems to me that the work ought to be undertaken by the Dominion government itself. They ought to consider the question on its own merits.

Furthermore, if this charter is going to be renewed I submit to hon. members that it should be entirely redrafted to suit modern conditions. Here is a charter thirty-three years old which has been amended fourteen times, so much so that it is very difficult for anybody to go through it and find out just what powers are being granted. I take it, in view of the development of water-powers and of public ownership at the present time, that parliament would not consider the granting of a charter such as this, giving the company control of an enterprise of this huge size with all the water-power on the Ottawa river. Why should they suggest that we renew a charter by means of this simple bill? If the company think they should have their charter extended, why do they not bring in a new bill, with clauses to meet present-day conditions, so that parliament may consider it as it would the bill of any other company that comes here for legislation?

This Georgian Bay Canal Company has no rights on account of what they have done, for they have done nothing. They spent some money on surveys and so on, but they have not done any work for all these thirty-three years, and my own feeling is that this charter should not be renewed at all. But if it is going to be renewed, care should be taken to see that it is brought up to date, and particularly that clauses are inserted confining the use of water to canal purposes alone.

There is a clause in the charter, which will be found in chapter 128 of 6 Edward VII, assented to on July 13, 1906, under which the works may be taken over by the government. It reads as follows:

> His Majesty, his heirs and successors, may at any time assume the possession of, and the property in, the said canals and works, and of and in all the rights, privileges and advantages of the company on giving to the company one week's notice of intention to do so; and thereupon all property in the said canals, works, rights, privileges and advantages shall become, and thenceforward shall be, vested in His Majesty, his heirs and successors, and by way of compensation His Majesty shall pay to the company the value of the work actually done by the company up to the time of the giving of such notice in surveying, and in the making of plans, and otherwise upon the ground, together with the value of all tangible property of the company of which possession may be so taken,—such values to be fixed by three valuators, or the majority of them, one valuator to be chosen by His Majesty, another by the company, and the third by the two so chosen.

In my judgment the proper way to deal with this question is for the government to allow the charter to lapse and then deal with the matter under this clause. I cannot see that it would do any harm to the shareholders, and it would give the government a free hand to work together with the provinces in this matter on a reasonable basis. I may say—

Mr. SPEAKER: I am afraid the hon. gentleman will have to say it on Friday, as the hour for private bills has been exhausted.

Mr. LAPIERRE: May I ask the hon. gentleman if he desires to continue this debate on Friday night? If not, I wish to move the adjournment of the debate.

Sir GEORGE PERLEY: I have not quite finished.

THE BUDGET

CONTINUATION OF DEBATE ON THE ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed the debate on the motion of Hon. J. A. Robb (Minister of Finance) that Mr. Speaker do now leave the chair for the House to go into committee of ways and means, and the proposed amendment thereto of Mr. Coote.

Mr. L. G. BELL (St. Antoine): Mr. Speaker, when the House rose at six o'clock I was about to bring to its attention a case of discriminatory taxation which has prevailed in the province of Quebec for now some ten years. A great number of the citizens, not only of the province of Quebec, but undoubtedly many others throughout Canada who have the interests of just taxation at heart, desire that a remedy should be provided in this case. I have reference to section 5 (c) of the Income Tax Act of 1917, which provides that:

> The income of any company, commission or association not less than ninety per cent of the stock or capital of which is owned by a province or a municipality,

—shall not be liable to taxation under the act. It so happens, Mr. Speaker, that in the province of Quebec we have followed the rule of having our public utilities conducted by private companies. In that regard we differ

to a great extent from the other provinces, and it is a well-known fact that ninety-five per cent of the public utilities in the province of Quebec are private corporations. In order that this matter may be brought to the attention of the government and that the government may have a full record of the campaign that has been taking place for a number of years, I intend to burden the House to-night by putting on record extracts from different newspapers in that province, Liberal, Conservative and Independent, and also from different associations which have no politics, such as boards of trade and chambers of commerce, in order to bear out the assertion that some remedy is required immediately regarding this unjust taxation.

It was stated by the Minister of Finance (Mr. Robb) this afternoon that the corporations of this country pay some fifty-five per cent of the income tax, and it was further stated that a great amount of the income tax is in the final stages paid by the consumer. On that point especially as to public utilities, I think the facts will bear him out and will prove that that assertion is correct. For instance, the Montreal Light, Heat and Power Company, which owns the public utilities of heat and power in the city of Montreal paid an income tax last year of $783,000, and also the Montreal Tramways Company, another public utility paying a tax of almost $125,000, all of which in the end is a burden upon the consumers of gas and electricity and in the second instance, upon those who use the street cars in the city of Montreal.

I quote first of all from La Presse, which is well known to be a French newspaper, independent in politics, and having one of the largest circulations of any newspaper in Canada. La Presse of February 10 publishes the following:

A flagrant injustice is committed in the distinction that is drawn by the federal treasury in the matter of the income tax levy between private corporations that produce electric light and energy and companies of the same kind that operate under provincial and municipal control. This difference of treatment creates a prejudice against the customers of the private companies and concedes a favour to consumers who obtain their service from government-controlled concerns. If a company has to pay $700,000 or $800,000 a year in income tax, the price of the products of that company must necessarily be calculated in a manner that will repay that sum. The customers, therefore, will be charged from $700,000 to $800,000 a year more for what they buy than they would otherwise have to pay, whilst the clients of companies under government control are liberated from this surcharge. In the province of Quebec we have refused to submit to the municipalization system which has infatuated certain other provinces, and all things considered there is no need to regret our attitude. In any event, it is our incontestable right to prefer the system of private ownership of our electric light and power services, and the federal government has no right to favor one system more than another. Its absolute and strict duty is to put everybody, every enterprise and every province on one and the same fiscal footing. At the present time, however, as regards the income tax, the federal administration, ceding to strange considerations, has failed to obey this rule of elementary justice. Well, let us leave out the past. Let us pass the sponge over the influences or considerations that have been responsible for this denial of fiscal justice, insupportable by the consumers in the province of Quebec who have been obliged to pay into the Dominion treasury for electric light, and energy surcharge, which their neighbors in Ontario do not have to pay. Let us overlook what is past and simply say that this denial of justice cannot continue. The government ought to apply the remedy without further delay; and we hope that parliament will take up the question.

We pass now to the Montreal Gazette, a leading English daily, and it also calls for redress of this unjust taxation. In its issue of February 11 that paper says:

The inequitable incidence of the income tax as between publicly and privately owned public utilities is again a subject of discussion, and the consideration that is being given to it is timely and proper. It would be a good thing for the Dominion, and by no means a bad thing for the government, if this tax were abolished altogether; but, if that is not to be done, there should at least be such revision as will prevent discrimination as between one group of citizens and another, or between one province and another. Equity is, or ought to be, a first principle in all taxation measures, and economists have always agreed that a tax which is not levied impartially is vicious and cannot be successfully defended.

Under the present system, the income tax is collected from private companies which sell electrical energy for lighting and power purposes, while similar services, when provided under government or municipal ownership or control, are not taxed. The tax, when imposed, is collected from the companies, but is paid in the last instance by their customers, the consumers of light and power. It so happens that this discrimination places the Ontario consumer in one class and the Quebec consumer in another, power and light services being publicly owned in Ontario and privately owned in this province. Parliament did not set out to differentiate in this way as between one province and another, but that is the way it works out, and it is a matter of some importance in considering the principle involved. The consumer in Quebec is affected adversely in that the income tax, when added to the actual price of power and light, lessens the advantage which private enterprise and efficiency confers upon its customers. This is a matter of first-rate importance from the standpoint of the community as well as from that of the individual, since cheap power and cheap light have become determining factors in the field of industrial expansion. Light and power costs, nowadays, attract new industries or encourage the extension of existing industries, when these

costs are low; and, this being so, it is clearly necessary to the economic progress of Montreal that light and power costs should not be burdened with charges that are not imposed upon similar services in other parts of Canada.

The remedy is simple. Either parliament should tax all light and power services equally, whether they be publicly or privately owned, or all should be exempted. Consumers in Quebec ask for no favors in this respect, but they are entitled to fair treatment and should have it. If the government and parliament come to the conclusion that the tax cannot be collected from publicly-owned services, owing to the conditions of financing and bookkeeping that are peculiar to this field of public ownership, there is still the alternative method of making the exemption general. The existing situation is grossly unfair to consumers and consuming communities in this province, and it calls for redress.

La Presse of about the same date again states:

We consider it to be of urgent importance that public opinion should be couvinced of the disadvantages which, economically, result from this vicious practice. We have already called attention to its evident consequences to the consumers, clients of the private companies, who must necessarily reimburse the amount levied upon the corporations. In this way the consumers lose part of the natural benefit that otherwise would come to them from the economic results of private administration, which assures the lowest cost price. But this is not the only disadvantage that is caused by this fiscal injustice, particularly in Montreal. However important may be the private interest of each consumer, we must not forget to take into account the general interest as well, the higher interest of the community. Indeed the one cannot be separated from the other. Everybody knows that whatever will aid the industrial and commercial development of a city, will also advance the welfare of the citizens. The question of the cost of light and power is one of capital importance in all industrial and commercial matters. Whoever proposes to set up a new industrial installation must calculate with great care the expenses that will have to be incurred under this head, and, all other things being equal, he will instal his industry in the city where light, heat and power are to be obtained at the lowest rates. Consequently, we all, as citizens of Montreal, have the greatest interest to protest against a fiscal injustice which risks injury to the economic development of the city.

We suggested the other day that, as a means to end the actual inequality of treatment, the government should either tax the municipalized and provincial government-controlled enterprises on the same basis as the private companies, or else exempt the latter as the others are already exempted. But, as a matter of fact, the first alternative does not appear to be practicable, for the good and sufficient reason that the municipalized and government-controlled enterprises, having either the province or the municipality as their money-lenders, and consequently not having to trouble about meeting the interest charges on the capital—the people pay this piper—matters can be so arranged that there is no apparent balance at the end of the fiscal year. Having, therefore, no apparent revenue they as it were, automatically find themselves exempt from the tax on revenue. It is a piece of legerdemain too easy to perform. The only practical solution, then, would be to exempt private corporations from the income tax just as the municipalized, government-controlled enterprises are exempted to-day.

I also quote an extract from La Patrie another French Conservative newspaper in Montreal, in its leading editorial of February 14 last, complaining of this million dollars taken unjustly in the way of income tax from public utilities privately owned in the province of Quebec. It says:

A tax which is unjust because of the inequality of its application is the income tax on private companies of public utility whilst similar enterprises under municipal or provincial government control are allowed to go scot free. In this way the distribution of electric light and power in Montreal, and the tramways service in the same city are heavily taxed—the amount being about $1,000,000 a year—but Toronto and towns and cities in Ontario pay no contribution under this head. Montrealers are not opposed to the tax, but they do protest against its inequality. The government at Ottawa has for several years past remained deaf to the supplications from Montreal and the province of Quebec asking that this injustice shall come to an end.

I also direct the attention of the government to a letter addressed to the Prime Minister (Mr. Mackenzie King) by the Montreal Board of Trade under date of March 22 last, as follows:

The council of this board has the honour to remind you of the injustice involved in the present application to Public Utilities of the Income Tax Act in that citizens served by privately owned utilities are made subject to a federal tax from which citizens served by publicly owned utilities are free.

The council wrote you on this subject on 25th September, 1924, but we have heard of no action to remove the grievance. That letter made special reference to the discrimination against the citizens of Montreal, customers of the Montreal Light, Heat and Power Company. That company will pay into the federal exchequer as income tax on its profits for 1925 the sum of $783,000, all taken out of the pockets of its customers. All other citizens of the Dominion served by privately owned utilities are similarly penalized but, since about 95 per cent of electrical energy in the province of Quebec is produced by privately owned companies, the discrimination against the citizens of this province, and in favour of those of provinces where public ownership is the rule, is as serious as it is indefensible.

The council realizes the need for federal revenues and does not ask relief for the citizens of this province, but it does wish to renew its protest against the existing discrimination.

The council respectfully renews its suggestion that the income tax on public utilities be based in future, not on profits but on gross revenue, and that it be applicable alike to all utilities, whether publicly or privately owned.

Mr. HEAPS: Can the hon. member assure us that the privately owned companies charge no more than the publicly owned concerns do?

Mr. BELL (St. Antoine): I will come to that in a moment.

The council ventures to urge that this matter is of sufficient importance to call for remedial legislation at the present session of parliament.

I have the honour to be, Sir,

Your obedient servant,

J. STANLEY COOK,
Secretary.

That is from the Montreal Board of Trade, a body composed of representative business men of that city, without any political axes to grind, and who take a very lively interest in the progress of the city. Naturally they want to see Montreal given equal treatment with any other city in the Dominion.

I come now to the Chambre de Commerce, a body similar to the board of trade but composed principally of French citizens from every walk of life in Montreal. On February 23 these representative men accepted the following resolution from the legislation committee:

Whereas public utilities in some provinces are directed by private companies;

Whereas those companies pay high income tax;

Whereas those taxes always fall ultimately upon the consumer;

Whereas public utilities in other provinces are not taxed because they are publicly owned;

Whereas this discrimination is an encouragement for the installation of new industries in sister provinces, but is a hindrance to Quebec;

Whereas, if more equally applied, the tax would bring greater returns;

It is resolved that the federal government be asked to refrain from imposing income tax on public utility companies and that, if need be, the tax in question be replaced by another tax which would be applicable to all public utilities without discrimination for any province.

Next I have here a resolution passed at the fourth annual convention of the Canadian Tax and Civil Service Research Conference of the Citizens' Research Institute of Canada, held in Winnipeg on September 28 and 29, 1926. This is a Dominion-wide institution with head offices in Toronto and branches in all the important cities in Canada from coast to coast. Resolution No. 5 as passed by them reads:

Be it resolved that this convention urges the taxation of all public utilities on the same basis, irrespective of ownership, public or private.

I come now to the question asked by the hon. member for North Winnipeg (Mr. Heaps) as to whether privately owned utility companies charge the same rates as those charged by publicly owned companies. Let me quote from the ninth annual report of Montreal Light, Heat and Power Consolidated:

The taxation of your company is excessively heavy and openly discriminatory, as our operations are subject to heavy federal income taxes, whereas the provincial and municipal undertakings of Ontario and other provinces, although on a similar commercial basis, not only enjoy immunity from provincial and municipal taxation, but under the federal law are exempted entirely from income taxation.

Incidentally your company will this year pay the federal exchequer approximately $783,000 for income tax on its business for 1925, which, of course, is included in our rates for service and suggests if there were no income tax to pay our present retail rate of 3½ cents per k.w.h. for electricity could be reduced to 2.88 cents per k.w.h., or, if applied to our gas business, the present retail rate of $1.10 per thousand cubic feet could be reduced to 91 cents per thousand feet.

It is significant, as stated, that consumers of electricity in Ontario and other provinces where utilities are publicly owned are exempt from this taxation. Our consumers, we are sure, do not object to paying their proportion of the running expenses of the country; they do, however, object (and rightly so) to paying the proportion of Toronto, Winnipeg and other cities where the utilities are publicly owned and operated. Our protestations, as well as the able and well defined representations of the Montreal Board of Trade to the federal government, anent this question have so far been without avail, and your directors feel that the consumers of electricity in this province should take some more effectual steps to correct this discrimination. Meantime this open discrimination in taxation undoubtedly handicaps Montreal and the province of Quebec.

The continued increase in the disbursements for taxes—municipal, provincial and federal—reflect the national situation with re[illegible] the present habit of lavish expenditures by governmental agencies. It is a question that calls for serious individual thought when a business such as yours, furnishing public necessities, is called upon to disburse in taxes the sum of $1,274,655.56, upwards of 19 per cent of the company's net income.

These are the points I wished to bring to the attention of the House with reference to the taxation of public utilities in the province of Quebec and particularly in the city of Montreal. As I have already pointed out there is an extra charge levied on the consumers of both gas and electricity which would be considerably reduced if it were not necessary to pay this federal tax.

There is an even more serious aspect than that, however; in the development of the province we must at all costs be protected from competition with our sister provinces, particularly in the securing of industries. As the public utilities are at present discriminated against, we often find that we have lost industries from our provinces because of the fact that cheaper power can be obtained in

neighbouring provinces. I wish it made perfectly clear that we in Quebec and in the city of Montreal are not asking that taxation be increased in any other province; we are only asking for fair play to the public utilities in our own province. For example, it has been pointed out by some of these newspaper reports that there should be a tax levied upon the gross revenue. That appears practically impossible in regard to the public utilities of Ontario, and therefore we would ask for the same treatment accorded to other municipalized and government controlled utility companies; that this tax be removed and the income tax be not applied.

It may seem rather strange that a member of the opposition should take up this matter on behalf of the public utilities of Quebec, because one would think that the interests of that province would be well looked after by those on the government benches. We on this side of the House from Quebec number only four as compared with sixty-one on the opposite side, including a number of outstanding ministers of the crown who know of this unjust taxation. One might have expected them to pass some remedial legislation to correct this abuse, which has undoubtedly been drawn to their attention in different ways, but that has not yet been done. I hope it is not too late for this corrective legislation to be passed this session and I trust that the Minister of Finance (Mr. Robb) whom we know to be a native of Quebec, will take the course which is undoubtedly open to him in order to remedy this grievance. I am sure those from other provinces are fairminded in these matters, and that they wish taxation to be at least fair; I do not think they want to see one province discriminated against in the matter of taxation or placed at a disadvantage in the securing of industries.

That, Mr. Speaker, is all I had intended to say, except to mention the fact that I am sorry that it was not possible in the present budget to make some amendment to the income tax laws in favour of those who contribute to charities. In the very large cities as well as in the towns there is a constant call for funds for charitable purposes, and I trust that in the next budget some consideration will be given to this question. We find it extremely difficult to finance our great charitable institutions which relieve distressed people; people are continually asked for contributions, and I think they might well be exempted for the amount they contribute in that way.

[Mr. L. G. Bell.]

Before closing I would like to refer to the remarks of the hon. member for Saskatoon (Mr. Young), who unfortunately is not in his seat, having particular reference to his remarks regarding the tariff board. I trust that whatever may be the personal views of different members of this House, we can all take a large national view of this matter, more so than the view I understood the hon. member to express. I will repeat what he stated:

> I wish, however, to be on record as saying that if at any time that board is to be used as an instrument or agent to hide behind in order to increase the tariff, I would say: Get thee gone and give way to honest men. We can never give the functions of this House over to that tariff board or to any other tariff board that may be created. I want to be perfectly frank in that regard.

I think it would be of very little use, as an hon. member urged the day following, for any of us to attend the meetings of this board if that is to be the attitude of the board; we might as well stay at home and not try to present the case for an increase of the tariff. I am sure the hon. member was not in earnest when he stated that the tariff board has been created by this government to decrease the tariff only; we would rather look at it as a board which will see to it in all cases that justice is done, whatever the issue.

I also wish to refer to the remarks of the hon. member for Maple Creek (Mr. Spence) in which he says:

> We believe in freedom of trade as a principle because we know that the whole trend of modern times is towards the great field of internationalism—not nationalism, not narrow provincialism, but a magnificent economic union of the whole world.

I wonder if the hon. member for Maple Creek was quite in earnest when he made that statement. I am sure he is a close student of economics and of the tariff, and I fail to see personally where this trend towards internationalism is taking place, so far as the tariff is concerned. In the matter of freer trade, of which he speaks, when we look to England we find the Safeguarding of Industries Act. If we look to the example of our neighbours to the south and study the Fordney-McCumber tariff which was enacted there, or if we refer to the German tariff, or to the tariff brought into force in any other country in the world since the conclusion of the war, we will find that all these countries —including England in the matter of her Safeguarding of Industries Act—are increasing

their tariff. Therefore I hope the hon. member for Maple Creek will do us the favour of showing at another time where this trend of internationalism or freer trade is taking place.

Speaking of the visit of the Saskatchewan members to the Dominion Textile plants at Montreal, I only hope that these gentlemen, coming as they do from the west, have been enlightened as to the true industrial situation. I trust that as Canadians, looking over those plants and seeing the number of men employed, they realized then, if they had not realized before, that in the interests of our industrial life the manufacturers of this country must be protected. I was rather nonplussed at the attitude of the hon. member for Maple Creek. I was surprised that after seeing what the industrial life of Canada meant he should come back and immediately upon taking his seat start on the rampage with respect to free trade and this movement towards internationalism which he says is taking place, but which is not taking place; free trade, he knows, is a myth. I trust that these Liberal members not only visited the factories and saw the industrial life there, but that they also took occasion to visit some of the men who were not at their places in the factories but were out of employment. I hope they felt in their visits to those homes that these men are patrons of Canadian industry and Canadians at heart even as the hon. gentlemen themselves are. I hope that the hon. gentlemen will also bear in mind that even if the farmers of the west have had hard times at intervals, there are times in the industrial life of our cities, especially when men are out of work and cannot get employment in the factories, that we look for some consideration in the matter of a protective tariff, and that they will see their way clear to coöperate with us and not be so scared, as they seemingly appear to be on that side of the House, of the word "protection." There is nothing to justify the view that there is anything to be afraid of in that connection.

Mr. ADSHEAD: Was the trip to Montreal planned with the idea of having us give more protection to the textile industry?

Mr. CAHAN: It was planned by one of the leading Liberals of the city, who is identified with the factories you visited.

Mr. BELL (St. Antoine): If it was so planned I am sure nothing was known of it as far as this side of the House was concerned, as we only read about it in the newspapers the following day. We are only complimenting my hon. friends on seeing that industrial life for the maintenance of which we are fighting.

I believe these are the only remarks I have to make with reference to the budget, and I have only this to say in closing. Many comments have emanated from this side of the House with respect to the hon. Minister of Immigration (Mr. Forke). If there is one member of the government who carries a burden on his shoulders and upon whom I should like to pin the rose of hope, it is the Minister of Immigration. I sincerely trust that in the exercise of his duties and the discharge of the responsibility that rests upon him he will do his share in bringing to this country a great number of immigrants who will find in Canada a country worth while and who will remain here. I hope the minister will be able to stop the migration out of this country which has been so often debated here and which I will not weary the House by referring to at the present time. I think if one minister in the government deserves some consideration and some praise, or it may be, help from the opposition, we should at least give that minister the preference. In closing may I express the wish that he will be able to show us in the near future that he is meeting success in his arduous duties and accomplishing all that the situation demands.

Mr. S. W. JACOBS (Cartier): Mr. Speaker, the observations which I have to offer to the House this evening will be of the briefest kind. The country is waiting for the vote which will decide the fate of this government, and I do not want to keep it in suspense a moment longer than I can help. In order to relieve their minds, my remarks will be noted for their brevity if for nothing else.

The hon. member for Macleod (Mr. Coote) introduced an amendment to the budget which if carried will mean the defeat of the Liberal party. I wonder if the hon. member when he drafted his motion thought what that would mean for the party to which he belonged. Does he not believe like every sensible man that "half a loaf is better than no bread?" We are standing between him and this awful, wicked Conservative party. He does not give us credit for that. I wonder if he has read the history of Charles II? When the king's brother, the Duke of York, counselled His Majesty not to expose himself so freely on the street as it might entail his assassination, Charles II, who was a very wise and very witty monarch replied: The people of England are too sensible to murder me in order to put you in my place.

The amendment of the hon. gentleman is what is known technically as "eye-wash." It is not to be taken seriously, yet here it is and we have to deal with it. But within the next few minutes we shall be all out of our troubles when the vote is taken.

The hon. leader of the opposition to-day delivered a most eloquent and instructive address. It was noted for its eloquence, for his abnegation of Liberal principles, and was in effect a bid for the leadership of the Tory party of which he is now one of the shining ornaments. Within the last few days we have had the spectacle in parliament of three or four aspirants to the leadership of the Tory party, standing up, saying what they had to say eloquently, and well, and leaving it to their party to indicate who is to be selected. It reminded me of the judgment of Paris. There were three ladies who presented themselves to Paris. He examined them as to their beauty—and there was a great deal to be seen—and after he had given his decision in favour of one—because there was only one to be selected, provoked the great Trojan war, and you know the catastrophe that happened after that. Well, I hope no such event will happen after the leader of the Tory party has been permanently named. I admire the leader of the opposition. I remember when I heard him first on May 29, 1912, in the city of Montreal. The bloom of youth was then on his cheek, and I remember well the florid complexion of the young man who sat close to the great chief of the Liberal party. He thundered in tones so eloquent against the Tories that I thought to myself: "Methinks the lady doth protest too much." I could not at that time believe that he was making a bid for the vacancy which has been occasioned on the other side by the retirement of Mr. Meighen.

We spoke yesterday in this House about the exportable surplus of wheat. We have an exportable surplus of Liberalism. We have so much of that commodity on this side of the House that our cup of joy is overflowing and we are willing to divide it with our friends on the other side. Some wit in this House remarked last fall after the election and after the appointment of the leader of the opposition to his present position: "Well, this is a great year for the Liberal party. We have a Liberal Prime Minister; we have a Liberal leader of the opposition, and we have a Liberal leader of the Progressive party. Everything seems to be coming our way." How true is the saying of the Psalmist:

> The stone which the builders rejected, the same is become the head of the corner.

[Mr. Jacobs.]

The hon. gentleman is a great lawyer. He would have made his mark had he remained at the bar. After listening to his eloquence to-day and after comparing it with his eloquence before 1917, I can see what a great lawyer he is. He talks on both sides with equal facility, I wish the time would come when I could do likewise. Perhaps if a vacancy on the other side occurred, I might—

An hon. MEMBER: Consider it.

Mr. JACOBS: —consider it. He argued to-day that there is no surplus; that it is all camouflage; that it does not exist. Notwithstanding the fact that there is no surplus, the Minister of Finance is in a position to cut down the sales tax by 20 per cent, to cut down the income tax, to make a substantial reduction in the national debt and so on, all, mark you, without any surplus. I ask myself: If the Minister of Finance is able to do that, what could he really do if he had a surplus? He is a miracle worker and as such we want him. Moses struck the rock and produced water. It flowed freely. Moses is not a patch or circumstance on the present Minister of Finance who is able to do these wonderful things.

Altogether I think the Conservative party is very fortunate in having a man of the ability of the leader of the opposition. He talks intelligently, cogently, with lucidity, and he has tasted of the tree of knowledge and of good and evil—he knows both sides. The old saying is true:

> And still they gazed, and still the wonder grew,
> That one small head should carry all he knew.

I wonder where all these apologies of Conservatism, all these high-minded utterances which we heard to-day respecting the Tory party and its glories, were hidden during the years from 1900 to 1917 when the hon. gentleman was one of the ornaments of this side of the House. He disguised them very well, but I am glad now that he has scope for his abilities and I hope the Tory party will keep on with the hon. gentleman as its head.

We had some discussion in this House a little while ago about the appointment to Washington. The appointment has at last been made and the Hon. Mr. Massey is the first minister from Canada accredited to any country. I think this country is to be congratulated on the appointment of Mr. Massey to that high and honourable position. Mr. Massey fits the position admirably. He is a man of education, of culture, with the necessary resources to keep up a position of that

kind, and he is bound to make good. It is only right that we should have a representative at Washington. After all $1,000,000,000 or one-half of the entire trade of this country is with the United States. We have 115,000,000 people on one side of the border and 10,000,000 people on the other side, with tens of thousands of people crossing this border every day. Every possible kind of trade is transacted daily between the two countries. We have questions to discuss as regards railway bonding privileges, smuggling, narcotic drug traffic, white slave traffic, and matters of all kinds, which are of the highest importance, and the surprise to me is that we have remained so long without a representative at Washington.

There are many things that the Hon. Mr. Massey can do while he is at Washington. For instance, he can point out to the authorities there that we resent the discrimination that exists with regard to Canadian citizens who go to the United States. As hon. members know, the United States divides the Canadian people into two classes; those who were born in Canada and those who came to Canada from foreign parts. Those who were born in Canada can go freely into the United States either to visit or to reside permanently. Those who were born outside of this Dominion are permitted to enter the United States only on what is known as the two per cent quota of the country of their origin. What has been the result? Within the first six months of last year 50,000 Canadian citizens crossed the border by the high-road. I have not the figures for the last six months, but I fancy that an equal number left here for that country. Therefore we have 100,000 Canadian-born citizens who went to the United States within one year. I know what hon. gentlemen on the other side are thinking, namely, that if we had a high protective tariff, they would not have gone. But that is not the point I wish to make. The point I wish to make is that the United States of America is discriminating between native-born citizens and foreign-born citizens of this country, both British subjects, mark you. They take the certificate of naturalization of a foreign-born citizen who wishes to enter their country and pay no attention to it; they treat it as a scrap of paper. They discriminate. We do not. After all, when we give a certificate of naturalization to a foreign-born after he has remained here for a certain period, after he has behaved himself like a respectable citizen, he is treated by us in the same way as if he were born in this country. But when he goes to the United States boundary, they, forsooth, would make a distinction. Why is that? I will tell the House why it is. The United States for some time have put into force this immigration quota because they want in that country people coming from what they call the Nordic portions of Europe. They do not want anybody except the Nordics. The basis of the population in Canada is Nordic. Consequently they insist upon having what they call the best element in this community —the Canadian-born, the man who understands American conditions, and who does not require to become Americanized, and so on. They are draining this country of the best element we have, and are leaving us the foreign-born. Mark you, I am not making any objection to the foreign-born. We welcome them and are glad to have them, but, everything being equal, I think it will be admitted by everyone here that the Canadian born citizen is perhaps the better for this country than the foreign-born. He is not obliged to unlearn anything and adjust himself to a different environment.

Why is it that so many of our people are going to the United States? The reason is this: That under their quota law, they take in between 100,000 and 150,000 immigrants every year, and no more. Before this quota law went into effect, they were taking in from 1,000,000 to 1,500,000. How are they going to make good the wastage in their country? By draining off our native-born Canadian citizens, bringing them to the United States and absorbing them with their own people. I ask you, Mr. Speaker, is it right that we should stand by and see a thing of that kind done without making some protest to the American government? Is it right? I do not think it is. When we give a person a certificate of naturalization, we have to protect him in every way possible in which a government can protect its people, but as soon as he begins to use his certificate of naturalization, he is told that it is of no use to him at all in the United States.

The United States claim to be a country of freedom, of liberty, and so on. In the year 1910 discrimination was made by the empire of Russia against American citizens entering that country. Russia declared that people of a certain religious persuasion could not enter the empire of Russia although they were American citizens; I have reference to Jewish people. There were only two classes who were allowed to enter. They had either to be bankers—I ask my friends of the Progressive movement to listen to that—or they had to be people of high social standing.

After all, all the people of the United States who travel are not bankers or people of high social standing, and it was the Russian police who had to decide whether they were bankers or people of high social standing. If the American citizen desiring to enter Russia handed over a sum which was sufficient to indicate that he was a banker, he entered freely, and no doubt the same was true with regard to people of high social standing. President Taft took this matter up with Russia. There was a treaty between these countries which was entered into in 1832, and representations were made to the Russian government, through the American ambassador in St. Petersburg. The Russian government was then tottering to its fall, and no action was taken. The treaty was denounced, and since 1910 there has been no treaty between Russia and the United States, because they felt, and rightly so, that no such discrimination should be made against United States citizens. When a United States citizen presented his certificate he was able to say "Civis Americanus sum", and that was sufficient. To-day the United States are practising the same thing which Russia practised up to 1910, and it seems to me the part of wisdom for our government, through our minister, to point out to the American government that they are not giving us a square deal. If they want our people, we cannot hold them back, but at least we ought to ask the American government to take what is known in Nova Scotia as run-of-mine.

I suppose a good many members of the Progressive party are unaware of the fact that they could not enter the United States except under the quota law. My good friend from Red Deer (Mr. Speakman), the member for Peace River (Mr. Kennedy), the member for Bow River (Mr. Garland), and the members for other creeks and rivers—I cannot remember them all—would not be permitted, not one of them, to enter the United States except under the quota law, and in some cases they would have to wait ten years, and in other cases fifteen, before they could get in. So what can these poor people do? They have to run for parliament and be elected to this House.

Although we have not got a quota law in this country, we have something which is so near unto it that it would take a Philadelphia lawyer to decide what the difference is. We do not put a quota law into effect, but we have drawn a line across the map of Europe and we say: These people from the northern part may come in, but these people from the south and southeastern part shall not come in. I do not suppose that it is generally known—I do not think the Minister of Immigration is aware that he is keeping out the entire Latin race from entering this country, with the exception of the French. Naturally they could not keep the French out, because they would hear about it in this House. The French are permitted to come in, but no other members of the Latin race, except under special permit and privilege. Now that is a rather serious thing. After all, there are decent people among the Latin race who make good citizens. The test of a man's ability to make good in this country is not the country from which he comes; it is the character of the man. The whole of southeastern Europe is in what is known as the non-preferred class. Asia Minor is in the non-preferred class.

I am going to say something which will probably surprise my friend the Minister of Immigration, and that is that under the rules of the Immigration department the founder of Christianity would be debarred from coming into this country. He could not come in, and none of the apostles could enter this country. None of the founders of the early Christian church could enter Canada under the present regulations of the department. There are in the case of Jesus of Nazareth,—I am saying it with all respect—four orders in council which would prohibit him from coming in here. There would be first, the order relating to the non-agriculturist class. Carpenters are not permitted to enter this country coming from that district. And then he would not have a proper passport; he would not be travelling by a continuous journey; and he would have no relatives in this country. Those are four orders in council which would prevent him from coming in. Michael Angelo, although he built St. Peter's at Rome, could not enter this country, because we do not want architects or carpenters from Latin countries. If he came from Iceland and could build an icehouse, we could use him. If Mr. Mussolini wished to come over and make a bid for the leadership of the Tory party, he would be debarred by the Minister of Immigration from coming in. We heard it stated in the last election: Canada wants a Mussolini. But my friend the Minister of Immigration stands like an angel with flaming sword at the gate, and would not permit him to enter. And so all along the line.

It seems to me, Mr. Speaker, that this country is not in a position now to make distinctions between people as to the countries

from which they come. A man may be a scoundrel and come from Scandinavia; a man may be a genius and come from Italy. I have dinned this thing into the ears of the Department of Immigration for the last ten years. I have been a voice crying in the wilderness. I have not been able to make them see the light. My friend the Minister of Immigration made some very interesting and satisfactory speeches before he came down here to take the department in hand. In Winnipeg I remember he made a speech which made us believe that at last there was a Daniel come to judgment; he was going to do wonderful things. He pointed out that hitherto the department, unfortunately, had had so many temporary ministers and so many ministers who had not had time to get acquainted with conditions before they moved on that they were unable to do justice to themselves and to the department. He was going to do it justice. Well I hope he will. He is a new man and certainly is not lacking in intelligence and has many qualities which go to make a splendid administrator, and I hope that when he takes hold of things, all this red tape which seems to embarrass the immigration department will be cut away and flung into the waste paper basket. It will be a good thing for the department, a good thing for the minister and, best of all, it will be a good thing for the country.

May I say a word or two about the question of the maritime rights which will be before the House very shortly? It would appear that the maritimes have rights. I have not read the report yet, but I have no doubt they have rights. A commission was appointed by the government to investigate and ascertain what those rights were and are. The commission sat during last summer and the early part of the autumn. They made their final report. A curious thing about the commission, which I think should be brought to the attention of the House, is the fact that although the commission consisted of three worthy members, men who are looked upon as of first class ability in their respective avocations, no counsel was appointed to represent the Dominion government. Do hon. members not think that an extraordinary thing? Here were gentlemen from the maritimes who were interested in seeing that adjustments were made of conditions in the maritimes which they thought had been brought about by forces over which they had no control. They were making claims for tens of millions of dollars. They were to have adjustment of freight rates, and they were to have coking plants to stimulate the coal business in Nova Scotia, and dozens of other things which involved large expenditures on the part of the Dominion government. Can hon. members tell me why no person was there to represent the government, to cross-examine them and find out the basis of their claims? In the customs inquiry, which is being conducted so efficiently, we find two legal gentlemen who are drawing, in addition to their breath, $300 a day from the coffers of this country. There never was a commission in which the party who is going to have money extracted from him is not represented in some way. After all, there must be some person to see that they do not walk away with the parliament buildings. And yet the fact remains that in this case nothing was done. The report was prepared and handed in without any examination at all of the witnesses by the federal authorities. The reason of it was, I think, that when the commission began its sittings we were in the throes of a general election. Both parties—and I may say the three parties—were so busy saving their own political lives that they had not time to consider the way in which this thing was being conducted, and the result is the maritimes walked away with practically everything they asked. I think that when the case comes before the House we should bear in mind that this was what is known as an ex parte judgment. The Dominion government was not represented, and we should scrutinize very carefully indeed any sums of money we pay in a case where we are not represented. In Quebec certain proceedings are taken in cases where the party is not represented. We make an opposition to judgment. We take out a petition in revocation of judgment. We say we have not been justly treated, and the case is thereupon opened upon the necessary affidavit being made, and the party who complains has an opportunity of placing his case before the court. I cannot absolve the Meighen government from responsibility in this matter. After all, the commission functioned at the time the Meighen government was functioning. They were both functioning concurrently. Surely there must have been in the Tory party, who had been out of office for such a long period of time, some lawyer who could take up the brief for the Dominion government, and yet nothing was done. We are now faced with a situation of that kind, and I think the people of this country will demand some accountability from the parties responsible for what I would call a denial of justice.

With regard to the suggestion made by the hon. member for West Calgary (Mr. Bennett) I say that to my mind it was the most constructive suggestion that has been made in the House this session. It seeks to reduce the interest charges on our public debt; and with a sinking fund, it seeks also eventually to abolish our debt altogether. Of course that will not come in my day or in the day of any gentleman listening to the sound of my voice to-night. But it seems to me to be a step in the proper direction, and it would be well if this suggestion were sent to the banking and commerce committee and thrown to the young lions of the Progressive party so that we could see what they would make of it. It is something well worth considering, and the fact that it is not taken very seriously by the banking community of this country is proof to my mind that it is a pretty good thing. I think the bankers can be induced to see that it is in their interest to have something of that kind done. It is proposed to let them have four per cent upon their money, and as the hon. member for West Calgary said they have hundreds of millions lying idle, in some cases bearing not more than two or two and a half per cent, when they are helping the government they are helping themselves, because after all they are the largest taxpayers in the country. They are the people who will benefit first when we get our finances on an even keel, and I think it is only necessary for us to charge the hon. member for West Calgary, not professionally of course but what is known as amicus curiæ, to go down and visit his friends in the Sodom and Gomorrah of unrighteousness in Toronto and Montreal, pointing out to them the feasibility of the project and that it would enure as much to their benefit as to the people at large; something tangible would come of it. I am always very wary of suggestions from my friends on the other side. Beware of the Greeks bringing gifts. Something good may come out of Nazareth, and the hon. member for West Calgary is too big a man to put forward something of this kind as a cat's paw, and I know he would be able to convince other people that the scheme is workable and would bring to the country tens of millions of dollars in due course.

I have no feeling that the government is going to be defeated. I do not think they will be, but if they are we will meet again at Philippi. We have trounced the Tory party successively three times now, and I think we are able to do it a fourth. At any rate, we are willing to try and let the best man win. I think the Minister of Finance ought to be congratulated upon this splendid budget of his. I think he deserves a great deal of credit for the brevity of the budget speech. In the olden days budget speeches used to take three and four hours and one could not understand what was being said because of the abundance of words. This is a business man's speech delivered by a business man in thirty-five minutes, a speech which everybody could understand and which raised the parliament of Canada in the estimation of the whole country. I only hope that we shall have the present Minister (Mr. Robb) for many years to direct the finances of the country. I support the main motion.

Mr. R. K. SMITH (Cumberland): It is not my intention to unduly delay the House this evening. I did not intend making any reference to the Duncan report at this time, but after listening to the hon. gentleman who has just concluded (Mr. Jacobs) I am bound to say that we are surprised to learn that any hon. member of this House could have been tempted to treat that subject in the humorous manner in which that hon. member has. The order in council creating the Duncan commission was passed last year when the present Prime Minister (Mr. Mackenzie King) was in office, and the instructions conveyed in the right hon. gentleman's letter to the commission were given during the month of April last. I understand that my hon. friend who has just sat down is a man of outstanding ability, learned in the law, and I should think that the Prime Minister, if he wanted to appoint counsel to assist the commission, could not have made any better choice than the hon. gentleman himself. But there was no necessity for counsel in connection with that investigation for the reason that there was not involved any question of law of a technical character such as would warrant the employment of a legal man. The matter for investigation had reference to certain unfair conditions there, and the object was to ascertain what remedies could be applied to alleviate those conditions, which have existed in the maritime provinces ever since confederation. I trust that the party opposite will not generally treat the subject as humourously as my hon. friend has.

Mr. JACOBS: In what sense did I treat the report humorously? I pointed out that there was no counsel, and that is no laughing matter.

Mr. SMITH (Cumberland): I listened carefully to the hon. gentleman's whole speech, which was full of a delicate humour at the expense of the report, and the tone he adopted

in relation to the investigation is in keeping with the rest of his remarks. His reference to the fact that no counsel had been appointed was presumably ironical; it was altogether unnecessary.

I want to put myself on record as being disappointed, as all of us from eastern Canada are bitterly disappointed, and indeed properly perturbed, that the budget contains no relief for the two basic industries of Nova Scotia. We are particularly disconcerted at this, in view of the information which we gave this House and the present Minister of Finance (Mr. Robb) during the last session of parliament. If our words, our pleas and our testimony have no weight with the minister, if he is inclined to be sceptical of the seriousness of the situation and if he takes this position because of the policy of the party to which he belongs, surely there is reason for him to have some regard not only for the pleas of the people generally, and of all political parties in Nova Scotia, but also for the recommendations of the royal commissions appointed by this government and by the province as well. The royal commission appointed by Nova Scotia in 1925, in an addendum to its report, suggested an increased duty on coal and steel, and the royal commission appointed last year by this very government also recommended, at least by implication, further protection on coal. Let me read from the Duncan report the paragraph regarding the customs tariff on coal.

> Several phases of the customs tariff in its relation to coal were brought to our attention both by the government of Nova Scotia and by the operators of the coal mines. These we feel ourselves precluded from dealing with since they are a matter properly to be considered by the Tariff Advisory Board, but we may be permitted to say that we are impressed with the need for reconsideration of the customs tariff in its relation to coal and anthracite coke and recommend that the Tariff Advisory Board should be asked to give immediate consideration to the subject.

Let me stress some words of that paragraph: "We are impressed with the need for reconsideration of the customs tariff in its relation to coal." There can be no reconsideration of the customs tariff on coal in a downward direction; such reconsideration must have an upward trend. Still, notwithstanding the fact that an application was presented to the government in 1924 by a delegation headed by the then Premier of Nova Scotia, Mr. Armstrong, asking for increased protection on coal; notwithstanding that in an addendum to its report the royal commission appointed by the government of Nova Scotia in 1925 recommended the same thing; and notwithstanding that the royal commission appointed by this government itself now urges a higher protection in this direction, we have in the year 1927 a budget brought down by the Minister of Finance in which this important industry and all the recommendations are totally ignored.

Mr. ROBB: How will increased protection on coal improve the steel industry in Canada?

Mr. SMITH (Cumberland): The steel industry is linked up with the coal industry, particularly in eastern Canada, to such an extent that it is almost impossible to separate the two. We have information to the effect that in Nova Scotia—and this applies to the rest of Canada—it takes four tons of coal to produce a ton of steel, so that whatever you do for the benefit of coal will assist steel, and vice versa.

Mr. ILSLEY: Is the hon. member aware that the member for Cape Breton South (Mr. MacDonald) at a meeting in Sydney a few weeks ago said that his experience on committees of the House and in the House itself had convinced him that the members representing central Canadian constituencies were solidly against an increase in the duty on coal?

Mr. SMITH (Cumberland): I am not aware of that; I am surprised to hear it.

Mr. ILSLEY: He was so reported.

Mr. SMITH (Cumberland): People are often misreported. The hon. gentleman is here in person and can correct the statement if it is wrong.

Mr. MacDONALD (Cape Breton): What I said was that it was doubtful whether we could hope for an increased duty on coal, as Ontario and the west would probably be against it, but it was not at all hopeless.

Mr. SMITH (Cumberland): That is quite a different construction from the one placed on those words by the hon. member for Kings-Hants (Mr. Ilsley). I was going to say, Mr. Speaker, that possibly the Minister of Finance might say that this is properly a question for reference to the Tariff Advisory Board, and in connection with that board let me say a few words. I know nothing of its personnel but I do know that it has no power; in my opinion it has not even enough power to be self-respecting. There is a saying which I used in the House last year which seems to me particularly applicable to this board; it has powder in its canister but no shot in its locker. It has no power to make a finding, can only make a recommendation, and it appears to me to be a vehicle for the shelving

of troublesome questions when they are such. Last year, however, after the Tariff Advisory Board was constituted, a tariff matter was absolutely taken out of its hands in connection with the reduction of duty on automobiles. If this board is to be something worth while is it the policy of the government to place before it questions of a troublesome nature in order to escape responsiblity, and on the other hand to take any political advantage possible through a popular reduction in the tariff by using their own judgment without referring the matter to the board at all?

Mr. ADSHEAD: Was the tariff board inaugurated at the time the automobile duty was removed?

Mr. SMITH (Cumberland): The tariff board was properly constituted before the duty on automobiles was dealt with last year, and I do not believe that to be a fair proposal to the industries of this country. If the board is to be made something worth while and something which will function properly, certainly it must be used in a proper way and not as a means of sidetracking troublesome questions. It should be used to secure all the information available and forward it in their findings to this House.

The question has arisen, Mr. Speaker, as to whether or not the coal industry in Canada is worth while. Last year in Nova Scotia we produced 6,300,000 tons of coal, slightly more than in the year previous; one-fifth of the population of that province is directly dependent upon the coal and steel industries and one-twelfth of the revenue of Nova Scotia is secured from royalities on coal. In the Dominion of Canada we have invested about $150,000,000 in coal mining, and the coal business in Canada has attained a value of as high as $80,000,000 in one year. I say, Mr. Speaker, that it is an industry which we must protect. If the coal industry in Nova Scotia is allowed to go by the board and disappear, there will also disappear from the province of Nova Scotia one-fifth of its population and one-twelfth of its revenue, and chaos will be created in the business of that province. But someone will say that there is no danger of the coal industry in Canada disappearing; I say there is a very grave danger unless something is done to properly protect it. Last year we imported from the United States about 17,000,000 tons of coal, of which 13,000,000 tons were of the very grade we produce in Nova Scotia. It has been said that some day anthracite coal in the United States will be exhausted, and when that time comes we must look elsewhere for our hard coal, or for a substitute. We should be independent of the United States with regard to bituminous coal as well as anthracite, because we do not know when we may be cut off from this supply. A war, a strike, or any other contingency may at any time stop the importation of American coal into Canada, and we have no way of looking ahead and guarding against these things, except by developing our own industries. We should be prepared to meet such conditions, and that can only be done by becoming independent of that country in relation to coal.

On the Canadian National railways last year we used 5,000,000 tons of coal, 3,000,000 tons of which came from the United States. It does not seem to me that we are treating our coal industry fairly; it certainly deserves something better than that. We are not asking for high protection, as some hon. gentlemen opposite would like to make people believe; we are asking for a moderate, adequate protection, something that should be granted readily because the duty to-day is practically the same as it was in the eighties while the protection is less than half as much, for obvious reasons which need no elaboration. We are asking for an adequate duty to protect this industry, and as soon as it is found that proper protection is given, the duty if need be may be very readily lessened. Some may say that this will have a tendency to increase the price of coal in Canada; in that connection I have here some of the remarks of Mr. Cronyn, which are very pertinent, but with which I will not weary the House. It does seem to me, however, that if the output of coal could be doubled in Canada there would be an appreciable difference in the cost of production, more than enough, I believe, to offset the increased duty. I believe that duty should be $1 per ton, and I believe if that duty is granted, with the coking plants which we hope to see established and with the freight reductions which are promised, we can establish an all-Canadian coal supply for an all-Canadian market.

Mr. ILSLEY: Has the hon. gentleman given consideration to the statement of the fuel board that it would take a duty of $6 instead of a duty of $1 to make us independent of foreign supplies?

Mr. SMITH (Cumberland): The other evening I listened to the Minister of the Interior (Mr. Stewart) when he read the report of the fuel board. It appeared to me then that it was a theoretical treatise, a sort of historical document dealing with the deposits of coal in the world, with no practical application to the coal trade of Canada. The

question was not treated in a practical way, and I am not aware of the information which the hon. member has just stated, whether it came from the fuel committee or whatever its source; and it sounds absurd.

Another thing, Mr. Speaker, is that we have a reserve of coal in the province of Nova Scotia to the extent of ten billion tons. It seems to me that this government should protect this basic industry in one of the old struggling provinces of this Dominion.

Mr. NEILL: May I ask the hon. gentleman a question?

Mr. SMITH (Cumberland): Yes.

Mr. NEILL: Is he aware that a duty of a dollar a ton, which is double the present duty, would practically put out of operation all the coal mines in British Columbia?

Mr. SMITH (Cumberland): Put out of operation all the coal mines in British Columbia?

Mr. NEILL: Yes.

Mr. SMITH (Cumberland): Why the total Canadian export of coal to the United States and to all foreign countries is only slightly over a million tons annually. Does the hon. gentleman mean to say it will work hardship to the coalfields, or the coal miners or coal operators of British Columbia? It may work hardship to the extent of a million tons but the rest of Canada would be relieved to the extent of the hardship represented by sixteen million tons.

Mr. NEILL: I hope the hon. gentleman's Conservative friends from British Columbia will note that statement of policy on their behalf.

Mr. SMITH (Cumberland): It is not a statement of policy. I am not claiming that action taken to properly equalize things might not result in some slight disadvantage to the rest of the Dominion. There might perhaps be a slight increase in the cost of coal until the question could be properly adjusted and worked out on a fair business basis. It might work some hardship to the coalfields of British Columbia—I am not maintaining that, nor am I admitting that it would—but I say the question is one which will have to be further developed by those who are more familiar with the coal trade in British Columbia than I happen to be.

Now, Mr. Speaker, I am going to leave the question of coal and speak about two other industries in the province of Nova Scotia that are very severely affected by the customs tariff. Last year I brought to the attention of the House and of the Minister of Finance a languishing shoe industry which happens to be located in the town from which I come. That shoe industry was languishing last year. This year it is dead. It has gone into liquidation and is now in the hands of a receiver, due to unfair competition coming mostly from the old country. That industry was established away back in the year 1867. It has progressed almost every year down until about 1921. But to-day it is in the hands of a receiver. Why we should allow unfair competition to interfere with any legitimate industry in this country is more than I can understand. The Prime Minister has made the statement in this House and out of it, that no legitimate industry in Canada would suffer through his fiscal policy. This industry is certainly legitimate and it is surely suffering from the policy of inadequate protection. This applies not only to the shoe industry in the province from which I come but to the industry all over the Dominion to a very marked degree. Why, Mr. Speaker, the boot and shoe manufacturers have to pay from fifteen to thirty-five per cent duty on the raw material that goes into the manufacture of some of our boots and shoes in this country, whereas in the old country, they get their raw material free. Last year there were imported into the Dominion 809,483 pairs of shoes to the value of two million odd dollars. We exported from Canada during the same period —these are figures for the year ending January, 1927—110,337 pairs. I have a lot of figures here but I am not going to weary the House with them. It is sufficient to note that we are steadily increasing the importations of boots and shoes, and leather goods manufactured and unmanufactured, into the Dominion. It certainly is not a healthy sign. It shows very positively that there is something radically wrong with the tariff and its application to this business, and the government at least should recognize the fact that it requires a little more consideration and a higher degree of protection.

I spoke also last year with regard to the woollen industry. We have a woollen mill in the town whence I come which is boarded up, due to unfair competition from abroad. The textiles and fibres which were imported into this country during the year ending January, 1927, amounted to a little under $200,000,000—$184,000,000 odd. We imported in 1926, $181,000,000 odd, and in 1925, $163,000,000 odd, showing a steady increase in the importations of textiles and fibres into Canada. Look at our exports. During the same period of

1925 when we imported $163,000,000 odd, we exported nine millions odd. In 1926 we exported but nine millions odd, and in 1927, a lesser amount of seven million dollars odd. We imported from the United Kingdom last year to the extent of $72,000,000 odd, but we exported to that country only $844,000 odd. These figures are for the year ending January, 1927. We imported from the United States $69,000,000 odd, and exported to that country $3,000,000 odd. I think these figures speak in no uncertain tones as to the position of the textile industry in this country and what it requires. It has been said in this chamber that Penman's are doing much more business than they did previously, that their bonds are high. Penman's may be progressing, but the smaller mills in the Dominion are the ones that are suffering. The smaller mills all over the Dominion are unable to meet that unfair competition; they are unable to compete with the wage rate, lower to the extent of one-half, that is paid in the old land, and with other unfair conditions. They certainly cannot meet that competition on anything like a fair basis unless some further tariff protection is granted.

I am going to conclude by stating that in the maritimes to-day there is one matter transcending all others in importance, and that is the implementing by legislation by this government of all the recommendations contained in the Duncan report. We have passed the stage of trifling in connection with this matter. We will discuss the issues dealt with in the report later. It will not be amiss, however, for me to state now that all the people of the maritime provinces are of one mind on this report, namely, that it should be speedily implemented in toto by legislation by this parliament at this session. Anything short of that—any delay, amendment or mutilation—will meet with such hostility from eastern Canada that I hesitate to mention in this House what sort of revolution will take place.

Mr. JOHN MILLAR (Qu'Appelle): We have listened, Mr. Speaker, during this debate to a great flow of oratory, and a great many figures which would lead to the conclusion that one could prove almost anything from figures. Some of the arguments which I have heard do not seem to be very sound—in fact there were a number which appeared to me to be very absurd.

I take the Hansard of yesterday and I find in the remarks of the hon. member for Frontenac-Addington (Mr. Edwards) as reported on two pages not very far apart, an argument in one place that the imposition of a duty increases the price of wheat, and in another that the effect of the imposition of a duty is not to raise the price of a protected article. On page 736 of Hansard the hon. member is reported as saying:

> The purpose of protection is not to raise prices but to defend and develop the purchasing power of the nation.

Those are very plain words. On the next page the hon. member for Moose Jaw made this statement:

> Mr. Ross (Moose Jaw): The hon. gentleman will admit that a duty of 42 cents a bushel on wheat does not raise the price of wheat in the United States for the simple reason that they have an exportable surplus.

The hon. member for Frontenac-Addington proceeded to demonstrate that in the United States they have a duty on wheat, a duty on eggs, and a duty on butter, and he asked: Are the legislators of the United States all deceived? No other conclusion can be drawn from that than that he believes and they believe that the imposition of a duty raises the price of those goods in the United States. Thus we find contradictory remarks on two pages, one immediately following the other. The hon. member for Frontenac-Addington is entirely wrong in regard to wheat. He stated that if the imposition of a duty on manufactured goods raises the price, it must follow that the imposition of a duty on wheat in Canada raises the price, because he said, as we have a duty of 12 cents a bushel on wheat —I think he is wrong in that; I think the duty is 8 cents a bushel—the farmers must have reaped, because of that duty, a profit of $10,000,000.

This is what really takes place. He made the statement—and on the other side of the House a goodly number of members applauded it—that if it were true that the imposition of a protective duty raised the price of manufactured articles, it would also have the same effect on wheat. Why does it not? On the surface it seems rational that it should. This is the reason: The price of our wheat is fixed in the old country market. You have to bring your competition to bear on the governing market and our governing market for wheat is in the old country. I think the hon. member for Moose Jaw (Mr. Ross) was partly right and partly wrong when he stated that the duty placed by the United States government on Canadian and other wheat going into that country did not raise the price of the wheat in the United States. In the United States they have an area that grows strong, hard wheat, of which they have not sufficient, of which they are very short. The imposition of a duty against Canadian wheat does protect that wheat and does raise the

price of it. On the other hand they have also large areas that grow soft wheat of which they have a surplus. That wheat is not greatly in demand. They require perhaps more of it than they do of hard wheat; but still they do not require all of it, and they export part of it. Thus we have an example in the one country, the United States, of a protective tariff raising the price of a part of a commodity and not affecting the other part. The governing market for the soft wheat is the old country, the same as is the case with us. The governing market for the hard wheat is in their own country, and that is where you can protect and where you can raise the price. But you cannot do that with Canadian wheat. Our price is governed by the price in Liverpool.

The hon. member for Vancouver Centre (Mr. Stevens), who is not in his seat at present, and a few other hon. members have directed some attention to the group that sit in this row of benches where I sit, and I wish to make some comment upon their remarks. If one is charged in a court of justice one wants to know what the charge is and what is the proof of his guilt. There were others in this row who were elected on an arrangement somewhat similar to the one on which I was elected. I was elected as a Liberal-Progressive, and I wonder if the charge is made because I have joined up with another group that has a very similar platform. I would not mind being accused of that. In fact if I were to be charged with anything of that nature, joining another party, crossing the floor to or linking up in any way with another party, I would suggest to the hon. member for Vancouver Centre that two of the judges might be the leader of the opposition (Mr. Guthrie) and the hon. member for Fort William (Mr. Manion). Perhaps they would know as much about how it felt whether or not they were apostates, whether they were criminals, whether they deserved to be treated as the Minister of Immigration (Mr. Forke) has been treated. Some have laughed because the Liberal-Progressives have taken their seats on this side of the House.

An hon. MEMBER: Hear, hear.

Mr. MILLAR: An hon. member says: "hear, hear." To go back at little, let me ask: Is there any disgrace in being elected as a Progressive with Liberal support or as a Conservative with Progressive support? I do not think there is any reason why I should be ashamed when two groups in my constituency, whose views on the tariff and on other matters are almost identical, agreed to come together and to choose a candidate as they did, and I was elected. And when I come to this House, where is the logical place for me to sit? There are only two: one with the Progressives, and the other on this side of the House. I do not think there is any blame whatever attaching to me, no matter which I choose; I could be damned for doing either. Is there any good reason why the hon. member for Vancouver Centre, who perhaps has been dealing a little to much in mud of late and has become too handy at throwing it, should point to this group and say we have betrayed our principles? While his attention was directed chiefly towards the Minister of Immigration, it certainly must have included others as well. Is there any reason to believe that we are not doing our best to get what we consider to be in the interests of the country? Is there any reason to believe that we uphold evil? Is there any reason to believe that we are not as true as when we were elected in 1921? I do not think so.

The farmers' platform spoken of by the hon. member for Vancouver Centre was drawn up about 1912 and I believe it was revised in 1917. The hon. member for Vancouver Centre read over this platform and, referring then to the Minister of Immigration, he used the word "apostate", stating that there were those who had betrayed the people who trusted them. I would point out that many changes have taken place since then. We have had many reductions in the tariff. There have been very many changes that would cause one to take a different view. Besides, since I have been here I have not been standing still. I do not think one is necessarily to blame if he should change his views as he listens to arguments, comes into contact with other members, and hears them discuss their problems. If there is any member on the other side of the House who has not changed his mind in five years, I would like to see him stand up. The implication of the hon. member for Vancouver Centre was that because one did not act exactly as he did when that platform was drawn up, he was an apostate and a traitor. Well, if there is any member on the other side of the House who has not changed his mind in five years, though he may think he liveth, I think he is dead.

I am going to direct my attention now to some measures that it seems to me might help to improve the condition of Canada. I am inclined to think that perhaps too much attention has been paid to the tariff question. It is good fighting ground, and I suppose that is

the reason why it is discussed at great length every session. But the tariff question is not all. I freely say that I am not entirely satisfied with the present budget so far as the tariff is concerned. I was elected, as many other hon. members were, on a low tariff platform, and I hope to get that low tariff as quickly as possible. I believe in a low tariff, but since listening to the remarks of other members I confess that I have changed my mind slightly in some particulars, though on the whole I am of the same opinion regarding the tariff as I was when I came here in 1921. We have had changes made in the tariff since 1921, some in 1924, but I would like to see the Minister of Finance (Mr. Robb) go a little further.

I might have had reason to vote against the budget if it were not for the fact that we have had a tariff board appointed. I thought this matter over very fully. Last session was a very hectic one, and it was followed immediately by an election. Then came the conference of the premiers in London. I know that private members are very, very busy, and ministers are much more so, and I cannot see how it would be possible for the government to have the time necessary to weigh carefully all the data gathered by the tariff board in the short time that elapsed before the opening of the session. You know what it means to peruse the evidence taken down by a shorthand writer covering the proceedings of only one day. To sift that evidence and study it in relation to other matters is no small task, and I do not think any member who desired to be fair would say that it was possible for the government to consider that data properly and bring down any important tariff changes based upon it at this session. I have no hesitation in saying, however, that when next session rolls around I shall expect, if I am here, very radical changes in the tariff. I hope there will be reductions all along the line, but for the present I cannot severely criticise the government for not doing that which I feel it was physically impossible for them to do.

The hon. member for Toronto West Centre (Mr. Hocken) referred to the income tax, as he does almost every session, and he pointed out that the farmers are paying very little income tax. I have been struck more than once with the nerve of those who, after they have grasped what belongs to themselves and three or four others will then stand back and pour ridicule and scorn on those who have not paid the income tax. If I have my share of the goods of this world and the share of three or four others as well, I have no right to ridicule the others if they do not pay their share of the income tax, and that is exactly what has taken place. The farmers are not paying income tax simply because they are not earning sufficient income.

A suggestion I would like to make is this. Looking into the future, I think what ought to be done is to endeavour to eliminate waste. During the years that have passed many blunders have been made. Going back as far as 1912, I think a gigantic blunder was made when the Welland canal was started. The first estimate of cost made by the engineers on this work was $50,000,000, but it has already cost more than $62,000,000, and the last estimate of the engineers is that the cost will reach $114,500,000. This with interest will bring the cost when completed to approximately $140,000,000. If you take a pencil and reckon the interest on that at four per cent you find that it amounts to $5,600,000 a year. This canal was built ostensibly for the three prairie provinces. We will suppose, just for the sake of getting an approximate reckoning, that each province pays its share of the interest. That would leave one-third, or $1,866,000 to be paid by the three prairie provinces in interest alone. In view of that charge, where are they going to make a gain after the Welland canal is completed? All the benefit they will get from the completion of the canal is that the larger ships carrying their grain will be able to go through the Welland canal, and about 150 miles further. If they save one cent a bushel —I think that is about the highest estimate one can make—and if 100,000,000 bushels passed down the canal each year, which I think is about the most we have reason to expect will pass eastward, that will mean a saving of $1,000,000 a year, so that the benefit to the three prairie provinces would be less than their share of the interest. If that is the case with the three prairie provinces, for whose benefit the canal was supposed in the main to be built, what is to be the experience of Ontario? What is to be the experience of Quebec? What is to be the experience of the maritime provinces and of British Columbia? I think a very great mistake was made in starting to build the Welland canal. We do not get any benefit from it until we have invested $114,000,000, and I omitted to mention that the interest on that would amount to probably $20,000,000, making a total of approximately $140,000,000.

Let me mention some other mistakes we have made in the past. We are considering at the present time various huge projects involving a large expenditure of money, such

as the St. Lawrence waterway development, the building of the Georgian bay canal, and other enterprises, and in view of that I thought it might not be out of the way to refer back to some of the mistakes that have been made in the past. I have already mentioned the Welland canal.

The second mistake was the building of paralleling railway lines—wasteful duplication. We have in western Canada, and in some places in eastern Canada, railway lines paralleling each other for fifty, sixty or a hundred miles, only a mile to three miles apart, while in other districts the people are drawing their grain long distances to the railroad, in some cases doing their marketing forty miles away. That was one blunder for which we are paying dearly now.

Another costly error was the building at enormous cost of the National Transcontinental to Quebec, and then the raising of freight rates to such an extent that very little freight travels on that line. If hon. members would refer to the arguments advanced at that time they would see that the road was built to carry our grain to Quebec, to keep it in Canadian channels. For a short time after the road was built the rate was low, six cents a bushel, but I believe it is now about twenty-one cents. The result is that after an expenditure of hundreds of millions of dollars the railway is not used for the purpose for which it was built. Hon. members may think lightly of that, but as a matter of fact Canada is paying for that blunder.

Mr. HARRIS: Would the hon. member be good enough to tell us what administration was responsible for the construction of the Grand Trunk Pacific?

Mr. MILLAR: We spend too much time quibbling as to which party was responsible for this or for that. While important business of the country is to be transacted, and while we are here to transact it the best way we can, we have whiled away hour after hour and day after day quibbling as to who is responsible. I am sure my hon. friends on the other side have been guilty of blunders enough; for instance, the building of a dry dock at Victoria, where it should not have been built, in order to elect one of their members; and they have tried to build an hotel at Vancouver. That is another blunder.

Mr. McMILLAN: Was there a board of trade between Quebec and Vancouver that was not in favour of it?

Mr. MILLAR: This may seem irrelevant, but after thinking it over, I believe it is quite to the point to draw to the attention of hon. members what may be gained by watchfulness in this House. We sit here day by day and sometimes appear to take matters lightly, but there is a great amount of work being done, and large saving can be made by hon. members if they are watching. I am going to mention two circumstances. In 1923 Mr. Wallace, a member of the Progressive group and an electrical engineer, rose when the then hon. member for St. Lawrence-St. George proposed a private bill for the renewing of a patent, and opposed the measure. I do not think there was another member in this House who knew there was anything dangerous being put through, and I do not think the member for St. Lawrence-St. George knew it himself. He probably had been requested to put this private bill through and was proceeding to do it. Mr. Wallace, whose constituency I have forgotten—

An hon. MEMBER: Elgin.

Mr. MILLAR: —arose in his place and in a twenty minute speech saved to this country $15,000,000 in six years. It was done in this way: He pointed out that this company had received a charter in Great Britain in about 1904, a charter in the United States about 1906 and one in Canada about the same year. They enjoyed the privilege in one country for seventeen years and in another country a little less, and they had applied in Great Britain to have the patent renewed and had been refused. They had applied in the United States, and had been refused, and this time they were before the Canadian parliament. It was all new to us. He pointed out that during the time they were protected in their patent the price of a little tube used in the radio was $9, then it dropped to $6, and after the expiration of the patent it dropped to $4. He said, "I believe that if this patent is renewed for seven years"—that was the time asked for—"the price will rise $2 on each tube." An estimate was made of the number of tubes used in Canada, and it figured out $15,000,000 in six years—one year had then expired. That is just one example of what can be saved by watchfulness. Probably not one person in Canada out of a thousand knew that this saving had been made, or how it was made, or anything about it.

I desire to refer to another instance. Those who sat in this House in 1921 will remember that a request was made for the renewal of a coal lease in Alberta which was known as the Hoppe Isenberg lease. I am not going fully into the details of it, but that bill passed through the House and everybody seemed to take it as a matter of fact. It went to the Senate and was checked up there. A confer-

ence took place between members of the Senate and members of the House of Commons, and the lease was refused. A later discussion in this House revealed the fact that the lease of that property, if my memory serves me rightly, was worth from two hundred million to three hundred million dollars. I believe the then leader of the opposition, Right Hon. Arthur Meighen, made the statement that a provisional sale had been made to English capitalists for that amount. That shows the importance of watchfulness and care.

I desire to make another suggestion. We have been discussing the tariff, and sometimes one is a little in doubt—I frankly confess that at times I am in doubt—whether we will ever be able to reach the point where we can do away entirely with the tariff, and, if you will, with protection. What I believe should be done is to lower the tariff all round, because it is a great inconvenience—injustice is the word I wanted to use—to those manufacturing in one line if the protection they enjoy is removed while other products are protected. It places them in the same position as that in which the farmer finds himself at the present time. The Canadian farmer cannot be protected, but he must buy in a protected market. If after we have thoroughly studied this matter, and after the data has been received from the tariff board, those of us who believe we should eventually have free trade find we must compromise with other parts of Canada, that we must carry a certain part of the burden of the cost of that protective tariff, then I think even in western Canada we could do so, provided the government would do more to help us in connection with agriculture.

Let me give hon. gentlemen some figures to show what has been the result of this assistance the government has already given. They have been fostering agriculture in all its branches. I need only refer to what has been done in the way of growing earlier and stronger varieties of wheat. Marquis wheat has revolutionized the industry in the west and is now being used largely in the United States and even in South America. Where would Canada be to-day as a wheat growing country but for that fostering care on the part of the government? No individual farmer could do that experimenting himself, for it is expensive work; but as a result of the assistance of the government we are very well to the front in the wheat growing industry. Perhaps it would be surprising to some if I were to say, what is a fact, that in sixteen years at the Chicago exposition Canada won the grand championship in wheat fourteen times. In the forefront among the provinces is Saskatchewan, but we are pleased to see that our sister province of Alberta has won the championship in the last two years; and as wheat growing is moving westward and northward, Alberta will probably become the banner wheat province of Canada.

What about oats? Twelve times out of sixteen Canada has taken the grand championship for oats at Chicago, and when it comes to another department of agriculture, horses, in nine years the Clyesdale horses of Canada have taken thirty championships at Chicago. There will come a time when we will ask for greater assistance for agriculture, and I point out these Canadian successes in order to show that the money is by no means wasted. Canada would not occupy the position she does to-day in regard to grain, cattle, hogs and poultry if it were not for the fostering care of the Canadian government. Perhaps the Minister of Agriculture (Mr. Motherwell) may suggest that I am overlooking the fact that the business of production is really a provincial matter. I do not forget that fact, but I have in mind also that while that is true the Dominion government has been doing a considerable amount of work along this line and there is no reason why it should not continue to do so.

We are sometimes advised to take up mixed farming in the west. In order that hon. gentlemen who have not had the privilege of visiting that part of Canada, and who therefore are not familiar with western conditions, may learn something about the west, I want to point out that we are rapidly following this advice. We are going into mixed farming more and more. I will give you the figures for Manitoba, and I take that province because it is in the lead in taking up mixed farming. You will be surprised to know that the wheat acreage in 1903 and the wheat acreage in 1926 were just about the same in Manitoba. But what about other industries? In four points in Manitoba they are shipping honey by the carload, and from forty to forty-eight per cent of the barley grown in Canada is produced in Manitoba. Last year that province produced $450,000 worth of turkeys while the vegetable crop in 1926 totalled $3,000,000 exclusive of potatoes. Here are some interesting figures: agricultural products in 1917, 1918 and 1919 in that province, amounted to $2,000,000; in the following three years they fell to $100,000,000 and in the next succeeding three years they went up to $150,000,000.

I intend to touch on one more matter before I sit down. I will pick out one department and discuss it in detail in order to show what progress is possible, and I am taking,

not the grain industry, not cattle, horses, pigs and sheep, but one of the smaller activities. I do this for two reasons: first, because it has been most neglected, and secondly, because we are going to hold a poultry congress in Ottawa this coming summer. The industry to which I refer is of course poultry raising. It may seem like a small thing, but as a matter of fact it is not. One gathers a dozen eggs here and a dozen there, and this may appear insignificant. But when it is pointed out that the egg production of Canada in 1926 represented the sum of $66,000,000, and this from the farms alone, you will see that the industry is of some magnitude. Here is a remarkable fact about the poultry industry: Canada does not produce sufficient eggs to supply her own market. We exported in 1926 2,501,000 dozen eggs and imported 3,341,000 dozen. It is only some eight or ten years ago that the government of Canada took any serious steps towards improving the poultry industry. Now see where Canada stands in this regard. A year ago I listened to an address by a gentleman who stands at the head of the poultry work at the experimental farm and I heard him make this statement. He said, "we thought at one time that Canada's cold climate was a handicap to the poultry industry of the country, but instead of that it has proved an asset." This man took pens of poultry over to Spain last year and of twenty-five countries represented the Canadian exhibit stood up best, surprising the poultry raisers from abroad. Sixty-four countries hold egg-laying contests, and there is an opportunity of bringing them together and making comparisons between the achievements of Canadian hens and those of other countries. What has been the result? In 1925, out of 64 countries in which these contests are held, 39 hens laid 300 eggs or more each in one year, and of those 39 hens 19 were from Canada. Is not that a record? In 1926 the results were equally good. The pen that took the lead was also Canadian, giving an average of 296 eggs, while one Canadian hen laid the largest number of eggs of any bird recorded in any country since contests have been known—351 eggs. We do not know what hens may have done of which there is no record, but of those of which any record has been kept the Canadian hens have been foremost. The hen that laid these 351 eggs was owned by the university of British Columbia. The eggs from that hen are selling to-day not for 25 cents each but for $25 each, and the demand cannot be supplied. During that year that hen laid her weight in eggs each month, approximately.

I would like to say a word about the poultry congress before taking my seat. This year this congress is to be held in Ottawa; forty countries will be represented, and I fear that unless it receives more publicity and encouragement the benefit to our poultry industry and the advertising Canada may get from it will be lost. Last year this congress was held in Spain and there was a great fight between Canada and the United States to secure the meeting for this year; Canada won, and Ottawa has been chosen as the place of meeting. There will be present 8,000 delegates; on the program will be representatives from Japan, Russia, Germany, France and Persia, as well as a large number from the United States, from which country I believe 3,000 delegates are coming. This is a wonderful opportunity to advertise Canada. Why are they coming to this country? They are coming here because Canada has taken the lead in the poultry industry, and it has taken that lead simply because it has been given encouragement by the government. One of our representatives addressed a gathering in New Jersey some time ago; that state is well in advance in the poultry industry, and after his address was finished the gentleman at the head of that industry in New Jersey said, "Everything we have done in this state has been copied from Canada." Canada is now looked upon by the poultry raisers of other countries as the country which will supply the breeding stock of the future, because of our registration system, which I have not had time to deal with. It just comes to my mind now that recently a gentleman in Ontario sold a bird to someone in the United States for $125.

In order to point out just what progress is possible in this industry let me say that the poultry branch discovered that by mating one breed of laying hens with an excellent laying strain they were able to increase the egg production by forty per cent in one season. A short time ago I had occasion to go into the poultry department of the experimental farm near my home. It was thought that the cold in that part of the country would be such that the hens would not lay during the winter, but there I found that a pen of 95 pullets were laying 60 eggs per day with the thermometer between 40 and 47 below zero. So there is no reason why enormous strides should not be made in this industry. We have talked sometimes of subsidizing industries. We on this side of the House are not much in favour of that, but here is a way in which the agricultural industry could be assisted and enabled to lighten the farmers' burden. I think it would

be well if, when grants are asked for agricultural purposes, those who are engaged in manufacturing and as merchants were very generous in these expenditures.

Mr. LADNER: May I ask the hon. gentleman a question? In connection with the data he has given, does he not think that the application of the Egg Marking Act, as it exists in British Columbia, would be advantageous to the industry throughout Canada without bringing any ill effects upon the consumers?

Mr. MILLAR: I am not familiar with that act and cannot answer the question.

In closing may I say that we who reside in the western provinces and who are engaged in farming are sometimes urged to be broad-minded and to look at things from a national viewpoint. So far as I am concerned, and I believe others take the same attitude, I realize that there is a place in Canada for industries, and we do not want to crush them out. All we ask is that we have a fair chance also. Together we can develop Canada; together we should endeavour to strengthen the weak spots which are continually being found. The maritime provinces will and no doubt should receive some assistance, and it is well that we should take a national view in considering all parts of Canada. We ask no protection as growers of grain or stock but an opportunity to make a fair living; we do not want to carry the burdens of others and neither do we desire to load our burdens on anyone else. We are willing to listen to those from other parts of Canada who are engaged in industries of which we know little; we can learn from them and we want to understand them; we want to do the fair thing and to be generous when they ask for assistance, but we do ask the same consideration from other parts of Canada.

Mr. J. L. BROWN (Lisgar): Mr. Speaker, the observations I shall make at this time will be much more brief than I had at one time intended; the debate is dragging along and I do not think it would be wise to take a very great deal of time now.

As I approach a discussion of the budget proposals let me say that I feel something like the Scotchman who was going to get married. As the time for the ceremony drew near it was observed that he was looking somewhat downcast, and he was asked by a friend if he had lost the ring. To this he replied, "No, but I have lost my enthusiasm." I say very frankly, Mr. Speaker, that I do not accept the budget as presented with a great deal of enthusiasm. In its two major parts, those referring to the tariff and to the reduction in the income tax, it is not my idea of what a budget should be. The reduction in the income tax, in so far as that might seem to indicate the intention or the disposition to further reduction with a view to the total elimination of the tax, meets with my entire disapproval.

The tariff has been discussed year after year, session after session, and it would seem to be maintained by some that there is no difference between those on different sides of the House. The hon. leader of the opposition (Mr. Guthrie) in an address this afternoon that was listened to, I am sure, with a great deal of interest by every person in the House—and the hon. gentleman is to be congratulated upon the way in which that speech was delivered, in spite of the fact that as he proceeded we could here and there detect fallacies in the argument—maintained that the Conservative party is not a high tariff party. I think, however, we have reason to suspect that it is at least a higher tariff party. During the course of the election campaign I got hold of a certain document which I do not think was intended by those who circulated it to get into the hands of the anti-Conservative candidates. However, I got it; it was given to me by one of the retail merchants in my constituency. It was a circular letter issued by Bates and Innes of Carleton Place who, I understand, have close relations with the Hawthorne Woollen Mills. The Hawthorne Woollen Mills, which were the subject of discussion some two or three years ago, are located, as those of you who were here then will remember, in Carleton Place, a short distance from Ottawa. In this circular letter there were three interesting paragraphs. One was to the effect that a protectionist government was going to be elected. That was a prophecy and, as it proved, a false one. It went on to urge the argument upon the retail merchants that when this protectionist government came in the tariff would be increased, that in consequence of the tariff prices would be higher—that was the effect of the argument—and consequently they urged upon customers that this would be a good time to buy. I think you may be sure, Mr. Speaker, that I did not neglect to make use of that circular letter in the course of my election campaign in trying to prove that hon. gentlemen opposite were in favour at least of a higher tariff, if not what they are pleased to call a high tariff. That I think affords us some justification for at least trying to distinguish between the two.

I may say frankly in regard to the income tax that there are some respects in which I

recognize that there are anomalies. Is there any system of taxation that has been or can be proposed that can meet all the requirements laid down by Adam Smith, or those who have sought to add to the principles which he has formulated? There is no system of taxation that can be applied with absolute equity. We recognize some anomalies in the income tax system. I listened with a good deal of interest to the argument put forward by the member for St. Antoine (Mr. Bell) this evening; it is a speech worthy of the consideration of every member of the House. But speaking generally the income tax, to my mind, is the fairest tax in principle, for the principle of it is that it is levied upon those who are able to bear the burden. Now, as I have said, there may be anomalies in its application; there may be inconsistencies; at times it may not be equitably applied, but in principle the tax is sound.

Unfortunately we have in politics, as we have in theology, men who are not able to distinguish between fundamentals and incidentals, and the evils or the anomalies of the income tax are incidentals. The principle is that men shall bear the burden in proportion to their ability to bear it, and that is a principle which we must maintain. That principle does not hold in connection with the customs tariff tax, or in connection with the proposal of the hon. member for West Calgary (Mr. Bennett), a tax on turnovers. Those taxes are laid not upon those who are best able to bear the burden but upon those who cannnot escape from the burden and must bear it. You will remember that the hon. member for Fort William (Mr. Manion) a year ago introduced into the debate a hypothetical widow who was getting an income of three or four thousand dollars a year from shares that her husband had left her, and he professed great sympathy for women in that position. I also have sympathy with widows, but I have a good deal more sympathy for the widow who has to rear a family of children and provide them with food and clothing, and has not the amount of income on which she can claim exemption—a good deal more sympathy for those who are placed in that position.

I submit, Mr. Speaker, that though in some respects the income tax as applied may be open to objection, it is in principle the fairest tax that we have. The objection is raised that it is not fair because the farmers do not pay it. Well, they do not pay it, as has been asserted again and again, because they have not the income upon which to pay. I know it is hard to convince hon. members opposite, some of them at least, that the farmer is not in a position to pay his income tax. One hon. member opposite made a remark about the 400,000,000 bushels of wheat that was raised in the west. Four hundred million bushels of wheat is an immense amount, but those who are acquainted with the facts know that the overhead cost of raising that wheat is enormous, and that the amount in the hands of the farmer after he has paid all the costs is a very small proportion of what that wheat brought upon the world's markets.

The hon. member for St. Lawrence-St. George (Mr. Cahan) seemed to be under some misapprehension in regard to the farmer and the income tax, but I want to point out to him one feature that he did not consider, and it is this: the place of the farm woman in the production of revenue. The hon. member for Qu'Appelle (Mr. Millar) has been dealing with the poultry industry. He referred to the fact that some $450,000 worth of turkeys had been raised in Manitoba during the last year. I believe the total amount of poultry produced in Manitoba during the year 1926 would run very close to $5,000,000. That amount of wealth, Mr. Speaker, was contributed to Canada by the work of the women, in very large measure, and when we farmers make our returns to the income tax branch we are not allowed to take account of the work that is done by the women—it all goes into the one pot. I want to say further that the woman on the farm is doing much more in contributing to the wealth of the country than the woman in other walks of life. I am not speaking of those women who are engaged in industry, I am not speaking of the wives of those men who are in a position to claim an exemption, we will say, to the extent of $3,000. Those women may be doing their work and doing it well. I have no criticism to make against what they they are doing, but they are not contributing to the wealth of the country in the same way that the farmers' wives are contributing. The latter are doing the work of their household just as other women are doing it, and besides, they are adding to the wealth of the country; yet there is no recognition of that when we make our income tax returns. That is a feature that I think ought to be considered by the hon. member for St. Lawrence-St. George, and I think it is a feature that has been very frequently overlooked.

The hon. member for Toronto West Centre (Mr. Hocken) had something to say on this question. He spoke of the farmers of the United States being protectionists, and instanced the McNary-Haugen bill as a proof

of that fact. The hon. member for Bow River (Mr. Garland), commenting on that statement, said that the McNary-Haugen bill is a bribe of the worst type; that it is a bribe to agriculturists in the United States to accept protection; it cannot be interpreted as anything else—a bribe of the worst type, and the farmers there will suffer for it if they accept it. I do not take exception to what was said by the hon. member for Bow River, but I should like to put it in another form. The McNary-Haugen bill, which has been vetoed by the President in the last few days, was the result of the conviction that had grown up in the minds of the United States farmers that they could not be benefited by a protective tariff. They had for many years been deceived by a sham tariff; they found out that it was giving them no real protection, and they came forward with the demand that they should be given real protection in the shape of the McNary-Haugen bill just as the other industries were given protection. What did they meet with? They met with the most intense opposition from the interests which had benefited by protection. It was said to them: Oh, but if that bill passes, then the cost of living will go up. The cost of manufacture will go up and we will not be able to compete in the markets of the world. So the cost of living would go up and the farmers would not find themselves in any better position than they were in before. In the interest of the experiment I would perhaps like to have seen the McNary-Haugen bill tried out, but on the other hand in the interests of sound economics, it is well that the President of the United States saw fit to veto it.

I have been amazed at some of the fallacies to which utterance has been given during the debate by some hon. members opposite, from the first hon. member who spoke, the hon. member for West Calgary (Mr. Bennett), almost down to the last. It was urged upon us that taxation had not been reduced and elaborate figures were produced to show that such was the case. Large numbers of percentages of taxation were brought to our notice. The one thing that hon. members seem to forget—and this is the fallacy that runs all through their arguments—is that a reduction in the rate of taxation does not necessarily mean a reduction in the total revenue. So long as our revenue is raised by a system of indirect taxation by a tax on the goods that we consume, just so long will it be impossible for any government to determine exactly what the revenue will be at the end of any year. All that any government can do is to fix the rate of taxation and to estimate on the basis of the last year's business that the revenue will be so and so. Therefore all that any government can do is to reduce the rate of taxation. When we went before tariff commissions, we used to urge a reduction in the tariff and we would be met by the objection: Yes, but where are you going to get the revenue? We would give the very obvious retort that it was quite possible to reduce the tariff and yet increase the revenue. Nevertheless hon. gentlemen opposite have not been able to grasp that very simple proposition and the fallacy appears all through the debate.

Let me give an illustration of that. A good deal has been said about the reduction in the duty on automobiles, and it has even been urged that the taxation on the people has been increased by the action of the government last session. What are the facts? More was collected in customs duties during the nine months ended December 31, 1926, than during the corresponding period in the previous year. I will give the House the figures. From April 1 to December 31, 1925, there were imported into Canada 853 commercial trucks at a value of $1,245,654 and the duty collected amounted to $429,392. During the corresponding period in 1926 there were imported 1,863 commercial trucks at a value of $2,291,674, and the duty collected amounted to $447,951. That is, the number of cars more than doubled; the duty was lower, but there was an increase in the total revenue in that particular line of cars of more than $20,000.

Let me deal now with the question of percentages. I am speaking of the nine-month period, because we have not yet had a whole year under which the new duties have been in force, and indeed it should be said that only part of the nine-month period was under the lower scale of duty. In the nine months ended December 31, 1925, there were imported 11,494 passenger cars at a value of $10,847,171, and the duty collected amounted to $3,776,665. In 1926 for the same nine-month period, 22,904 cars were imported, or practically double the number, at a value of $18,387,615, and the duty collected amounted to $4,346,869, or an increase in customs revenue from the importation of cars of $570,204. According to the logic of hon. gentlemen opposite the government increased taxation upon those cars because, as they argued, the total revenue from that trade was increased by $570,204. Yet the fact is—we well know it and every person throughout the country will testify to it—that a car could be bought cheaper during that period than during the corresponding period of the preceding year. These are facts of which the

public is well aware, and yet hon. members opposite will confuse the issue by these fallacies.

The same is true in regard to the references made by the hon. member for Vancouver Centre (Mr. Stevens) to percentages of duty, the taxation being higher at one time than at another, because the percentage of the tariff was higher. When I heard the hon. member speaking of percentages in that way, I was reminded of the story of the darky porter. A traveller asked him what was the average tip that was given to him by people who travelled with him. The darky said: "A dollar". Well, the man wanted to be up to the average and so he handed the porter a dollar. "Thank you, sir," said the darky, "thank you, you are the first man that has come up to the average." Here again the same fallacy creeps in. There is nothing more misleading than averages. When we talk about average duties, we must remember that they will vary as the amount of free goods varies with the amount of taxable goods, and according as the amount coming in under a high duty varies in relation to that coming in under a low duty. One is almost ashamed to give utterance to platitudes and to discuss these very obvious things, but one is forced to do it.

Let us suppose that we have coming in $1,000 worth of free goods and $1,000 worth of dutiable goods, bearing twenty-five per cent. The revenue collected from that $2,000 worth of imports will be $250. Let us suppose that the next year there is still only $1,000 worth of free goods coming in, and that the duty on the dutiable goods has been reduced to twenty per cent. It would be quite possible to show by the change from one figure to another that the average on the whole had been increased, and yet the fallacy there is perfectly evident. I do not pretend, Mr. Speaker, to be an expert accountant. There are some realms into which I would not presume to enter, but when I hear hon. gentlemen giving utterance to these very obvious fallacies, though I would not presume to have any expert opinion, I cannot allow them to pass unchallenged.

The hon. member for Frontenac-Addington (Mr. Edwards) also I think merits a little attention. He gave us one of his characteristic speeches last night, in the course of which he referred to the reciprocity pact of 1911. He wanted to know if any member on this side of the House would put that pact into force if he had the power to do it. He was not satisfied to take an answer from private members, and finally he got his answer from some members of the cabinet. Then he pointed out that in that pact provision was made for certain duties on certain lines of machinery, and then he asked: Would you put those rates into force to-day? I went to the library to-day to look at the pamphlet containing the terms of that pact, and I find that while the hon. member stated the facts correctly, his inferences were all wrong. It is true that the duties were as he stated, but there was nothing in that pact that would render it obligatory upon Canada to maintain those duties at those rates. Those were maximum rates, not minimum rates. The theory of the protectionist is that it is a bad thing for us to import goods, that we are doing a particular favour to our neighbour when we lower the tariff against his goods. In view of that theory held by protectionists, is it not absurd for the hon. member for Frontenac-Addington to say that we would be under any obligation to maintain the tariff on these imports at the rates that were agreed upon by those who devised the reciprocity pact? Were we to put that agreement into force to-day there would be absolutely nothing in it that would require us to raise our tariff on this list of imports to the level of the United States tariff. The whole argument as advanced by the hon. member was, like some of the other arguments, so absurd that it is not worthy of serious consideration.

There are many things that I might have said, Mr. Speaker, but I shall forbear at this time. The natural question is: How do we regard this budget, speaking of it in general terms? I have said already that we have no particular enthusiasm for the budget in itself. While the answer given by the Minister of Railways (Mr. Dunning) to the hon. member for Marquette (Mr. Glen) is by no means as plain and specific as we would desire, yet we feel that we have possibly no warrant for assuming that the action taken in the Robb budget of 1926 is the last step to be taken in the direction of lower tariffs. On the contrary, we would like to assume that the minister intended to convey to us the idea that there was still to be a progress in that direction. That impression is, of course, confirmed by the statement of the Finance minister this afternoon, that the present government is a low tariff government, and is proud of it. With that in mind, Mr. Speaker, we have felt that we can give our support to the budget, notwithstanding the fact that in itself there is nothing that arouses any particular enthusiasm. I would like to add

that the Minister of Finance must not assume that any support we may give the present budget will warrant his concluding that if next year's budget should not show some further inclination to go in the direction of the principles we have advocated, our support will be continued.

I do not know, Mr. Speaker, that I have anything further to say at this time. The hour is rapidly approaching when we are likely to take a vote, and in view of that fact I shall give way to those who are to follow.

Mr. MALCOLM McLEAN (Melfort): Mr. Speaker, the hour is getting late and I do not intend to take up very much time, but there are a few things I wish to say before a vote is taken.

In the first place, I think this House will agree with me that this is a budget to which there is no real, strong, sustained opposition. On the other hand, it may be that it does not arouse in some of us the enthusiasm that last year's budget did, but I think that throughout the country, from coast to coast, it has been received with a good deal of satisfaction. I have received many letters from western Canada, from my own constituency in particular, and in them there has been no word of disapproval or of criticism of the budget as it is. That is sometimes as a fair test of a budget, as it is of the work of a government official in any office when there is no great enthusiasm about what he does and no great objection to what he does. The Minister of Finance (Mr. Robb) is to be congratulated that he has under all the circumstances produced a balance sheet such as the one we have before us.

There is one thing I do know, Sir, and that is that the people of Canada are able to-day to congratulate themselves upon having emerged from the position they were in five years ago to a much higher and safer ground financially. This budget is of value and is satisfactory to the country because it shows an undoubted financial strength. It is satisfactory because of the psychological effect of the reduction in the national debt. That is something worth while not only in Canada, but throughout other parts of the empire and other countries of the world, particularly those from which we expect in the future to get immigrants to fill our vacant spaces and develop the resources of this Dominion. We heard a great deal about immigration to-day from the hon. leader of the opposition (Mr. Guthrie). I would remind you, Sir, and this House, that five years ago it was pretty hard to find anyone here advocating that the government should hasten the work of encouraging immigrants to come to Canada. The sentiment against encouraging immigration has died down to a great extent since then, although it is not altogether extinct. But the fact that Canada is reducing its debt and its taxation, that Canada's financial position has been strengthened, and that employment is better, will help to bring to our shores the immigrants that we need.

I said a moment ago that this budget does not arouse in some of us the enthusiasm that the last budget did. A critic of the budget said the other day that it is referred to as the Robb budget, and he qualified that by saying that he did not use the word in the sense of r-o-b. I wish to tell hon. gentlemen that some of his friends were not so particular; they were fond of calling it a "rob" budget instead of the proper name, but the people of Canada did not pay much attention to that. After going home last year we found that the budget had occasioned great enthusiasm throughout the country. I found in western Canada that possibly the budget had a good deal to do with the progress being made in that country at the time. In nearly a quarter of a century in the west I had not seen so much new land cleared and broken and being got ready for crop in any one year, and I had never seen so many people flocking into the north country, so much new building in the towns and rural districts, and so much genuine progress in that part of the country with which I am most familiar.

I am glad that to-day we do not hear very much of the pessimistic talk we heard last year. I am not going to refer to it now because it would be unkind to do so. After the last election a good friend of mine said to me, "If you had power to inflict some punishment upon your opponents in the last election, what is the worst thing you could think of?" I said I did not feel inclined to do anything. He said, the worst thing you could do would be to ask them to read their speeches of last session in parliament, and I would not consider doing that. There is reasonable prosperity in Canada everywhere to-day, not perhaps as much as the people would like, but as compared with any other country there is reasonable prosperity. That did not come about solely on account of the good crop of last year. It came about as a result of careful work on the part of the producers for the past five years, and as a result of the extent to which the government took care of the financial resources of the country. But it is not all due to the past year. We are told that last year the crop was one of the largest on record.

Well, it was a fair crop but not particularly large. Last year Canada produced 406,000,000 bushels of wheat as against 411,000,000 bushels the year before. The figures are as follows: the total yield of wheat in Canada for the year 1926 is estimated at 406,269,000 bushels from 22,768,449 acres, as compared with 411,375,700 bushels from 21,972,732 acres in 1925 and with 386,864,525 bushels from 22,084,320 acres, the annual averages for the four years 1922-25. When it comes to oats we find the crop amounted in 1926 to only 404,000,000 bushels as against 513,000,000 bushels in 1925, and an average of 493,000,000 bushels in the four years. So that it was not entirely due to the good crop last year, because we had crops just as good previously, and sometimes a little better, and we had not the same prosperity in the country. Other products, such as pulp and paper, forest products, and the products of the mine and the waters had a great deal to do with the restoration of prosperity. The farmers of western Canada I am sure were helped by the crop of 1925. The crop of 1926 was a fair one and the prices received were also fair, but the crop was harvested under tremendous difficulties, and still the 1926 crop helped the country somewhat further on the way to better times.

In the past we have been told a great deal of the wonderful wealth in the country to the south of us. Some of us have been of the opinion that those gentlemen, whether they were hon. members of this House or outside of this House, who continuously told of the prosperity of the United States on account of higher tariff protection were not doing a service to Canada. I find that the great country to the south of us is not uniformly prosperous and is not growing very fast in population in certain states.

Referring to the statement of the hon. leader of the opposition that the prairie provinces had not increased in population in the last few years as much as they might have, I desire to read an item in an American paper which says:

> The Borough of Queens, one of the five divisions of greater New York, having doubled its population in the last six years—

Very encouraging, but it is the city population that has doubled in that time.

> —this means that 483,000 persons have settled in Queens since January 1, 1921. The growth in population of this one section of New York in that short period is greater than the population of many a state. At the last census, there were nine states—Arizona, Delaware, Idaho, Nevada, New Hampshire, New Mexico, Utah, Vermont and Wyoming—each of which had a population of less than 483,000. Delaware, Nevada and Wyoming all together have less than that number.

Nine states in that rich country, each of them with a population less than that of any one of eight provinces in the Dominion!

I have some figures which I am going to give to Hansard dealing with the question of prices of farm implements. I had thought that the discussion in regard to the price of implements in 1924 and other years had come to an end, and I was surprised to hear the leader of the opposition, in that otherwise very admirable speech, give us some figures on farm implements to show that prices had increased as a result of tariff reductions. I hold in my hand a statement with regard to the prices of implements sold by the International Harvester Company, dated October 16, 1925, showing prices of Deering and McCormick machinery at that time. The figures are as follows:

	1921	1925
Eight foot Deering & McCormick binders..	326 00	283 00
Four foot six inch mowers.	112 00	98 00
Twelve foot rakes..	67 50	64 50
20 disc seeders..	292 50	251 00
Fourteen inch gang plows..	192 50	155 00
16 disc (16″) harrow	91 00	76 00

Last year in Saskatchewan we did not have to discuss any of these figures during the general election, because the people of that province were satisfied that the steps taken by the government had been in the right direction; and they expect confidently—and I am sure they will not be disappointed—that further steps along the same lines will be taken in due course.

Mr. CAMPBELL: Could the hon. gentleman give us the reductions between 1924 and 1926, not between 1921 and 1926? Because a lot of those reductions came voluntarily from the companies before any reduction in duty was made.

Mr. McLEAN (Melfort): I have not the figures. I think the hon. member for Mackenzie would be in a better position to supply the information. I am prepared to take his word for it that reductions were made prior to that time. When the policy of the government cutting the tariff on such implements was introduced, we remember the wail that went up from hon. members in this House about the ruination of the agricultural implement industry. I am glad my hon. friend asked me that question, because it reminds me that a few days ago we read in the newspapers about the great rise in value of the stock of a Canadian implement company, sale prices running up to $110 a share. This stock a few years ago was worth between $50 and $60. I am not sure of the exact figures,

and I do not want to exaggerate, but it was a low figure a few years ago. They made those reductions; they stood for the cut in the tariff, and the farmers were placed in a better position to patronize them than they had been previously.

I wish to devote a little time to a speech delivered in this House last Friday evening and which in my opinion was very unfair in some respects. The speech referred to was delivered by the hon. member for Vancouver Centre (Mr. Stevens), and I am glad to see him in his place to-night. To my mind it was studded with unfair statements—probably worse than that, but we will come to that point later. The first thing I take exception to in this speech is the propagating of the idea that, the budget having come down so early, the people of this country have been more or less relieved of their apprehension lest the tariff be reduced. The hon. member referred to the statement of the Bank of Montreal in their official bulletin of February 23, as follows:

> The early delivery of the budget speech by the Dominion Minister of Finance, and the announcement that no tariff changes are to be made, should be helpful to business by removing that uncertainty and hesitancy in mercantile transactions which sometimes wait upon the late pronouncement of government fiscal policy.

I agree with the bank in that regard, but I do not think that, rightly understood, the statement necessarily conveys the meaning which the hon. member for Vancouver Centre (Mr. Stevens) apparently was anxious to infer from it. He seemed to suppose that there was some fear that there would be reductions in the customs tariff, whereas it is just as likely that the country might be afraid that a long delayed budget statement might propose increases in that direction.

I come to the next point on which I disagree with the hon. gentleman. I will quote his own words:

> Yes, the budget was welcomed for what it did not do, not for anything that it did. We welcome it in so far as in it the government has stayed its hand in further reductions of the tariff. The government announces—

This is the point I want to emphasize.

> —in the budget that it is not its intention this year utterly to destroy the remaining fragment of a protective principle in the tariff.

Yet further on in the same address the hon. gentleman tells us that there has been no change in the tariff; it is the same as it was before. Here is what he says:

> There is exactly the same protection in the tariff to-day as there was prior to 1921; in fact a little more.

[Mr. McLean.]

I will go beyond the hon. member for Vancouver Centre (Mr. Stevens) and quote the words of one who, many of us regret, is not with us to-night, the late leader of the opposition, Mr. Meighen. Let me quote what he had to say last year. Of course, there was an election at that time and he was appealing to the people for support, as we all do. Speaking at Owen-Sound on September 8, he is reported as follows:

> He pressed his tariff views, declaring his intention to revise the tariff basis of protection. The principle governing every schedule of the tariff would be the principle of protection. "That is the principle," he declared, "we intend to restablish in our country".

If it had not been disestablished how could it be reëstablished? However, I will not press that point. I will now consider some of the financial criticisms of the budget. I would not have undertaken to discuss the budget from this standpoint because I do not profess to be a skilled accountant, but as I listened to the speech of the hon. member for Vancouver Centre the other night it occurred to me that he made certain statements which obviously were altogether erroneous. In particular he made a statement to which I shall refer later on regarding the resources of Saskatchewan, a statement so utterly absurd to me that I got the hon. gentleman's speech next day in Hansard and read it carefully to make sure that I had followed him. The more carefully I read that speech the greater the number of absurdities I discovered in it, and therefore decided to devote some time to a fuller consideration of it. Discussing the public debt the hon. member, after declaring that he was not criticising the Minister of Finance personally, made the following statement:

> On April 10, 1924, he said our surplus would be $20,750,000, to be applied to the reduction of the public debt. On March 24, 1925, he said that the public debt had been decreased by $35,900,000. On April 15, 1926, the minister informed the House, there had been a reduction in the debt of $22,350,000. On February 17, 1927, at page 387 of Hansard the minister made the statement that there would be a reduction of $31,000,000 in our debt. The individual reductions indicated in these four announcements total $110,000,000 so that there should be a reduction in the debt to that extent from the year 1922.

The hon. member then goes on to complain that there is no evidence of that $110,000,000 of a reduction. On the next page of the report of his speech he refers to the funded debt. He finds that the funded debt at the present time amounts to $2,471,000,000. Then he sets out the difference between the funded

debt and the net debt. The net debt on March 31, 1922, according to the hon. gentleman, was $2,422,000,000, and on December 31, 1926, including the amount paid off last fall it was $2,343,000,000. To quote his words:

> That is to say, we have a reduction in the net debt of $79,000,000 in a period of five years. That is nothing for this country to be proud of. I ask, where is the $110,000,000 of a reduction in the debt as announced by the Minister of Finance officially year by year.

I do not know whether the House or the hon. gentleman has been able to follow these quotations from the speech in question, but certainly I could not understand, nor do I understand now, what relation the $2,422,000,000 in the shape of a net debt as of March 31, 1922, has to the funded debt of $2,471,000,000. I therefore made inquiries. I recollected that between 1922 and the year which the hon. member for Vancouver Centre took as his starting point there was another fiscal year, 1923, and in that period there was not a surplus but a deficit which had to be added to the debt. That was a reasonable deficit and not one of which we need be ashamed. It was not incurred during the regime of the present minister, but while his predecessor was in office. Instead however of a deficit of $91,000,000 or $92,000,000 as we had in 1921, and $81,000,000 as in 1922, we had in 1923 a deficit of $31,000,000. As the hon. member for Vancouver Centre strove to discover where the missing millions were, I thought this must be the money he had in mind. As he progressed in his speech and linked up the $2,422,000,000 of a net debt with the funded debt of $2,471,000,000 I felt it time to cry for help. Digging into one book after another, and asking those who knew more about the matter than myself for some explanation of the difficulty which the hon. gentleman had created, I found that on April 10, 1924, the estimated surplus for the year 1923-24 was put at $20,750,000 but that the following year it was announced in the House that the actual decrease in the net debt for that year 1923-24 was not $20,000,000 odd but $35,900,000, or $15,000,000 more than had been estimated the year before. The following year 1924-25 there was a surplus of only $345,589. Hon. gentlemen will remember—because the country recalls it—that in the year 1924 the minister brought in the first of those budgets that have made his name famous, and the reductions of various taxes in that budget were responsible for a decline in the revenue to such an extent that there was only the surplus of $345,000 odd just mentioned. In 1926 there was an estimated reduction in the net debt for that year of $22,350,000, but time afterwards showed that estimated reduction to be actually $27,706,586. That was the reduction last year. On February 17, 1927, the estimated reduction in the net debt for the year 1926-27 was placed by the minister at $31,366,260. These actual reductions totalled $95,412,029 and the various estimates in addition to the actual decreases made $110,000,000, it is quite true. But it is absurd to take the estimated surplus to-day, and six or twelve months from now add to that the actual reduction in the figures of the debt. You will notice, Mr. Speaker, that when the deficit for the year 1922-23 is deducted from the correct figures, $64,000,000 is left, and that is the amount of the reduction in the net debt between March 1922 and the present time. So far as the present Minister of Finance is concerned, his budgets have shown a reduction in the net debt of $95,412,029.

Then we come to another set of figures, and I am going to try to keep them apart because I have already admitted that I was somewhat confused in trying to study the speech of my hon. friend. He confused the $2,422,000,000 net debt and the $2,471,000,000 funded debt, and then deducted the annual surpluses from that funded debt. What do I find here? The funded debt as of March 31, 1922, was given by the hon. member for Vancouver Centre (Mr. Stevens), as $2,420,000,000, which is so close to the amount of the net debt that one may be excused for finding difficulty in understanding what was intended. He told us that on March 31, 1926, the funded debt amounted to $2,471,000,000, an increase in four years of $51,000,000, and giving the minister credit for the amount paid off during last year, $35,000,000, would leave an increase in the funded debt of $16,000,000. But what do we find? In addition to the funded debt of $2,420,791,260 on March 31, 1922, there were temporary loans outstanding to the extent of $144,535,000, a grand total of $2,565,326,260 due to the public. These temporary loans the colleagues of the hon. gentleman must have known to be outstanding at the time they left office. That $145,000,000 was left entirely out of the calculations of the hon. member for Vancouver Centre. On March 31, 1926, the funded debt of Canada amounted to $2,471,965,018, with temporary loans outstanding of $201,000, giving a total of $2,472,166,018, a reduction in funded debt in four years of $93,166,018. In addition to that reduction there must be added the figures quoted by the hon. member for Vancouver Centre, the reduction during 1926-27 amounting to $43,000,000, so that at the end of December last year the total reduction of debt as between 1922 and 1927 was $136,106,242. It would not be a fair argument to say

that this should be shown, because doubtless the treasury had bills coming due on January 1, February 1, and March 1, 1927, possibly amounting to more than the revenue at its disposal and the reduction in the funded debt at the end of the fiscal year may not be so great. But I think, Sir, that the hon. member for Vancouver Centre should have been a little more careful in compiling his figures before giving the impression contained in his speech the other day, when he overlooked the fact that there were $144,536,000 of temporary loans outstanding at the time his government went out of office.

The hon. member was asked if he would admit that Canadian currency was on a much sounder basis now than it was five years ago, and he passed the question off very lightly. I wish to tell him, Sir, that those people who had liabilities coming due and moneys to pay in the United States or any other country whose currency was higher than ours, did not consider it so. Those who had to go to foreign hospitals for treatment, mostly in the United States, or who had to pay money for any reason in that country and had to pay it with our depreciated currency, knew that it was not a mere incidental thing to be passed off lightly. I noticed in that same connection that the hon. member for Vancouver Centre was rather critical of the fact that our gold reserve is about 54 per cent of our Dominion note circulation as compared with 35 per cent in 1922. He did not have the figures at hand, but we will accept his statement as correct. He said there was no excuse for that, that it would be easy to increase our Dominion note circulation without the slightest chance of jeopardizing the stability of our currency. Apparently the banks and the financial institutions generally have shown that they have sufficient funds to carry on the business of the country at present, so there is no advantage to be gained by reducing our gold reserve. It is true that a few years ago there were many demands for schemes of monetary reform of one kind and another, and I was very much interested the other day to read an extract from a speech by Mr. Henry Wise Wood of Alberta which bears on this point, I am not going to repeat much of it, but in part Mr. Wood said:

> I don't want to lambaste anybody's dogma, because I know how dearly we love dogma, and I hate to take anybody's beloved children from their parents, but one hour's operation of the wheat pool has done more towards the ultimate accomplishment of the right relationship of prices than all the resolutions regarding any kind of magic money systems that we have passed since the beginning.

[Mr. McLean.]

I think we can quite agree with that, and I think it a good thing that our currency should have enough value behind it so that one dollar of Canadian money is worth one dollar or a little more of any other money in the world. On the question of taxation the hon. member for Vancouver Centre was rather critical; he told us a great deal about taxation and compared the five years from 1923 to 1927 with the five years previously, during which his party was in power. He said that in the last five years the average imposition of taxes by this government amounted to $387,000,000 in round figures, while the average in the previous five years amounted to $348,500,000, suggesting that this government had collected an average increase of $39,280,000 per year during the last five years. I think, Sir, if there is any one thing in the fiscal policy of this government for which they can take credit to themselves more than for anything else it is the fact that immediately they came into office they began to put the finances of the country on a sound basis. By increasing revenue they hastened the time when they might begin to pay off the debt or at least keep it from growing any larger. In addition to keeping the debt from growing and the fact as illustrated by the increase in revenue that the country was beginning to get more prosperous, there is something further to bear in mind. Deficits had continued to 1923; these had to be met by this government, and the only way they could be met was by an increase in revenue and reduction in expenditure.

The hon. member for Vancouver Centre (Mr. Stevens) said that the government had not reduced taxation but had merely shifted it. There was a gentleman in my office the other day whose business is to sell, among other things, farm lighting plants. We have not heard very much about farm lighting plants, but last year the duty on them was reduced from 35 per cent to 10 per cent, and we heard considerable complaint at that time from hon. gentlemen opposite. The dealer in question assured me, and I have no reason to doubt his word, that the reduction in duty had effected a reduction of $127 in the price of popular sized farm lighting plants on an expenditure of something like $600. That is not a tax which has been shifted; that is a real reduction, and the people have benefited by it. The national revenues have increased, by reason of these reductions. It has always been true, that a lower duty on a larger volume of business would increase the gross revenue. It is for that reason that I am confident that the Minister of Finance will see his way clear to give us further substantial re-

ductions in duty, and make his name still more respected and loved by the producers and consumers of this Dominion.

One statement made by the hon. member for Vancouver Centre that I wish most decidedly to protest against is that respecting the Minister of Immigration and Colonization (Mr. Forke) and the Deputy Speaker of the House. I am quite aware, Sir, that there is no reason why another member should stand up in his place and defend the Minister of Immigration; he is perfectly capable of defending himself. But the name of the province of Saskatchewan was linked up with the accusation levelled at the minister. I can assure you, Sir, that the Minister of Immigration was always respected by his political opponents in the province from which I come, even when they were fighting him politically. As the leader of a party the minister was respected and his sincerity acknowledged. There never was a time when he was more highly regarded in the prairie provinces than he is to-day. I ask you what there is wrong in a member of this House, having been nominated at a Liberal convention in the city of Brandon, being afterwards nominated by a Progressive convention in full possession of the facts? An hon. member near me says that the procedure followed was the reverse of that—that the Progressive convention was held first and the Liberal convention followed. However, the order followed is immaterial: these two conventions supported the same gentleman with a full knowledge of what had happened. It was well known that in all likelihood the government of Mr. Mackenzie King would be restored to office, and in that case the province of Manitoba would be represented by the hon. member for Brandon if he cared to take a portfolio in that government. The hon. member for Vancouver Centre, referring to the Minister of Immigration said, "My hon. friend sitting in a fourteen thousand dollar seat has had a change of heart." I ask hon. members if the Prime Minister of Canada could offer a $14,000 seat to anyone in this House? Not if I know anything about the remuneration of the cabinet ministers. The hon. member for Brandon was offered and accepted a portfolio in this government. The people of Brandon endorsed his action, and I think it is mighty small potatoes for the hon. member for Vancouver Centre to indulge in such insinuations against the minister. I would not have expected such comment from a gentleman who was unfortunate enough himself to occupy one of these elevated positions for so short a period and without the endorsement of the people of Canada.

The insinuation directed against the Deputy Speaker is even meaner. He occupies a position where it is impossible for him to answer charges of this kind He was not placed in that position by the Prime Minister. Surely parliament has not yet got to the stage where it can have no say in the election of a Deputy Speaker, especially when the gentleman elected is the unanimous choice of the members of the House! I am reminded of an old Conservative friend of mine who made an admission to me. He had sat in this House and was a highly respected member of it. I met him not very long ago and he said: "Was I not foolish? If I had only voted for the Robb budget I could have been over with you fellows to-day, but I listened to that blank tragedy board and that is what defeated me." I may say that he did not use the word "blank".

Just at this moment and in this connection I should like to quote one sentence from a speech by the Right Hon. Arthur Meighen at a meeting at Owen Sound. It has a bearing on the accusations or insinuations made against hon. members of the House, that they were in a position to exact rewards for improper services to the government of the day —I think it is safe to use the word "improper" in view of the attacks upon these members. This is what the Conservative leader of that day said:

> "Don't believe for a moment," Mr. Meighen proceeded, "that there is any difference between the Saskatchewan Liberal and the Manitoba Progressive. Not a particle. No man in the last House could see the least."

I did not disagree with Mr. Meighen at all on this one point at least. As far as I am concerned personally I may say that I came down to the House anxious to coöperate with other members of like mind in promoting the interests of the people I represent, and found the Progressive members from Manitoba and a majority of the members from Alberta just as willing to coöperate as I was. What objection can there be to coöperation amongst members representing like-minded people, whose coöperation has been so valuable to the country?

I am reminded at this stage that the hon. member for Weyburn (Mr. Young) asked the member for Vancouver Centre, during the course of his speech, a question to this effect: If the statement he had been making that afternoon was a fair one, would he be good enough to explain the arguments he used last year. He promised to do so in a little while, but I found in his speech no explanation of the arguments so often advanced by hon. gentlemen opposite at the time referred to.

Like the hon. member for Lisgar (Mr. Brown), I received a circular during the election last year. I do not think it was intended for me; it came from a friend who is a merchant. The circular to which I refer was not sent out by the Hawthorne Woollen Mills but by a firm called Bates & Innes Limited, also of Carleton Place, Ontario. This is what they say in that circular:

—United States was shipping wool to London and was not expected to buy.

Imagine the country wedded to high protection shipping wool to London!

As the spring clip has now been largely sold, and the period of heavy consumption of woolens is approaching, it would appear natural to expect higher prices this fall and probably for next year.

Another feature affecting the Canadian market is the probable return of a protectionist government and an increase in the duty on woolens.

It would appear, therefore, to be good business to buy fully now of fall and winter woolens, and we enclose our price list of seasonable goods on which we can now offer good delivery.

We are busy, and, as the season advances, delivery will be more difficult. We are selling direct to the retailer and ask your coöperation in this up-to-date and economic method.

The foregoing circular illustrates how busy the woollen men were in the province of Ontario. We have no desire to see any part of this country or any legitimate Canadian industry suffer. It gives us a great deal of pleasure and pride to see other provinces, other sections, and other industries thrive as much as we would like to thrive ourselves. We know that if they are thriving legitimately it redounds to the good of the whole country.

We were advised during the same speech that a tremendous wrong was being done this country by the export of our raw materials. The hon. member said that a substantial portion of copper ore was being sent across the border in the form of ore and matte, entirely unrefined. He continued:

Last year we produced 111,000,000 pounds of copper and exported in the form of raw ore, at 12½ cents per pound, 109,000,000. Just imagine! Out of a total production of 111,000,000 pounds we shipped to the United States 109,000,000 pounds almost entirely raw, unrefined and unsmelted.

The hon. member for Vancouver Centre states that we sell it at 12½ cents a pound in the raw in the form of rock. Then he goes on to tell us that all we are doing is acting as quarrymen for the United States. In the northern part of the constituency which I have the honour to represent and of the constituency of the hon. member for Nelson (Mr. Bird), there is a tremendous deposit of copper ore. The owners of that deposit at the present time are spending a great deal of money, as they have been in the past, in developing this deposit. They are building a refining plant now which they expect very shortly to be working. If the process is established they are going to invest many million dollars in transforming that copper ore rock into a condition in which it may be marketed. But if they are able to ship it in raw rock at 12½ cents a pound, hon. members can see what a tremendous profit they will be able to make, because there are 16,000,000 tons of it diamond drilled at the present time. I am not going to say that I disbelieve the statement of the hon. member for Vancouver Centre that this raw rock is being sold at 12½ cents a pound.

Mr. STEVENS: That is for copper content. It is a trade term.

Mr. McLEAN: The statement is that it is shipped in the raw in the form of rock and paid for at the rate of 12½ cents a pound.

Mr. STEVENS: Copper content.

Mr. McLEAN: I take it that the hon. member for Vancouver Centre was just a little careless in this as he was later on as well as earlier in his speech.

Mr. STEVENS: I was not careless. It is all right; it is a mining term.

Mr. McLEAN: I am glad the hon. member assures me it is all right, because there is another passage to which I am going to direct his attention. This is a portion of his speech that I listened to with astonishment. I was amazed to hear of some of the resources we have in Saskatchewan, because we had heard nothing about them in the past. This is what he said:

Talk about the development of industry in Canada! Why, Mr. Speaker, all we are doing is acting as quarrymen for the United States. The Minister of Trade and Commerce (Mr. Malcolm) the other day made a passing reference to this matter, skating over it very lightly in a speech which in other respects was admirable. He referred to aluminum and declared that our imports were going up. Where are my Saskatchewan friends while we are discussing this particular question? Do they know that in the province of Saskatchewan there are the finest beds of aluminum clay that are to be found anywhere in the world? Does that signify nothing to them? Do they know that most of the aluminum on the continent is taken from certain beds in Kansas?

If I had been in my seat and had been honourably free to ask a question of the hon. member who was speaking I would have asked him to tell me where these clays are in Sas-

katchewan, but being in a place other than my own seat I could not do it and so I had to listen to this:

Do they know that nearly all the aluminum manufactured in Canada is imported alumina, the metal form of the product, which we purchase to the extent of 95 per cent? Our imports of aluminum, the finished product, have increased 225 per cent in the last five years, notwithstanding that in the province of Saskatchewan, lying dormant, there are millions upon millions of tons of alumina, or aluminum in clay form, which could be developed. I appeal to the Saskatchewan Coöperative Dairy—

I could not understand what that dairy had to do with developing aluminum deposits.

—that splendid organization which is producing millions of pounds of butter a year. Would it not help them to have an industry giving employment to several thousand men right in their own province? Would it not be better to have these men working in the province and consuming their dairy products rather than having to compete in the markets of the world for the disposal of their butter? Is that not of some value? And in northern Alberta sodium and aluminum clay lie side by side, yielding all the ingredients requisite for the manufacture of the finished aluminum product. Yet we have increased our imports 225 per cent. In face of all this the government declares complacently that there is no problem; everything is lovely; business is prospering.

As I said a moment ago, I was astounded to hear this declaration. I knew the government of Saskatchewan had spent much time and money in looking into the question of the natural resources of that province. They had sent men into the far north and found there some splendid beds of almost pure silica sand bearing about 99 per cent pure silica. They found traces of coal, copper, water-powers. In Saskatchewan we know we have billions of tons of coal, but we had never heard of aluminum deposits of anything like the extent stated by my hon. friend. I was reminded of the old saying: "You have to leave home to learn the news." In view of this and other things which I could not understand I decided to make certain in regard to this aluminum deposit and where it was located. I made inquiry of the Geological Survey of Canada of the Department of Mines, and this is what they say:

The only ore of aluminum at present in use is bauxite, a hydrated oxide of aluminum. It is found as superficial deposits, rarely in veins, resulting from the weathering of syenite and other aluminous rocks. It is usually found in or at the edge of clay deposits and is sometimes very like clay in appearance; but oftener it has a pisolitic structure, that is, made up of small rounded masses like peas.

I would ask hon. members to pay particular attention to this sentence:

Bauxite has not been found in Canada.

And Saskatchewan is in Canada.

Clays somewhat resembling bauxite occur near Sooke on Vancouver island—

That is a good deal nearer the home of the hon. member who was making the speech than those of any of the members from Saskatchewan.

—but contain only 20 to 30 per cent of aluminum, whereas the best grades of bauxite contain 57 or 58 per cent of aluminum. Bauxite is found in Alabama, Arkansas, Georgia, and Tennessee.

Not even in Kansas.

Arkansas bauxite is considered the best material in the United States and is practically the only bauxite used in the manufacture of aluminum in the United States. Aluminum is produced in Canada by the Aluminum Company of America at Shawinigan Falls, Quebec, from bauxite imported from the United States, the south of France and British Guiana.

The raw material is being imported into Canada; it is being manufactured in Canada, a certain quantity of the manufactured product is used at home and the surplus exported abroad. Then this memorandum goes on to say:

Since bauxite is believed to have formed under tropical or semi-tropical conditions, the chances of finding a deposit of bauxite in Canada are not very good, though it cannot be said that it does not occur.

There is the voice of the scientist speaking. He says: We do not know that any occurs in this country; it is not likely that any should be found here, but we do not know and we are not going to say. The memorandum continues:

Electrical power and the mineral cryolite (sodium aluminum fluoride) are required in the manufacture of aluminum from bauxite. Cryolite—which has been found in quantity only in one place, at Ivigtut, Greenland,—is used as a solvent. Aluminum oxide is made from bauxite by dehydration of the raw material and is dissolved in melted cryolite. The aluminum is then deposited by an electric current.

I leave you, Sir, to judge whether this was intended, as the statement regarding copper or whether it was a mistake. I would point out that there are apparently only four requisites missing for the development of an aluminum industry in Saskatchewan. One is bauxite; the second is the all-important mineral cryolite; the third is cheap electrical current close to transportation facilities, and the fourth is the large amount of water required at the same place for the dehydration of these clays. We are always anxious in our province to secure new investments and new industries, especially those based on the development of our natural resources. But I do not think we could term it a safe in-

vestment for anyone to take much stock in locating or developing these aluminum clays of Saskatchewan, and I take it that the same reasoning applies to Alberta.

We were told a lot about exports, in regard to which there was an attempt to show an equally startling situation. A certain group of exports from 1918 to 1922 amounted to $1,185,000,000, and the same group of exports, shown under the same headings by government officials, and very properly so, from 1923 to 1927 amounted to only $1,125,000,000, and this was used as an argument against the fiscal policy of this government. I would have you note, Sir, that not until the last day of this month does the fiscal year of this government end, and it will be some time after that before complete figures are available. The five years that the hon. member for Vancouver Centre took included two years that were almost entirely war years, a third that was practically a war year, and the fourth was very much affected by war and war conditions, with wealth being shipped from Canada in the form of loans. He took those years with their inflated prices as against the years from 1923 to 1927, when prices, part of the time, were very low and crops not very large, and he found that there was a reduction in our exports during those years of $60,000,000. I think that a fairer way than that could be found in which to discuss this question. The same argument was used in connection with iron and steel, but as the hour is late, I shall not use the figures I have before me in that connection.

We were also told that we are selling $7,000,000 worth of asbestos to the United States, to be converted there into $70,000,000 worth of finished products. It is lamentable if we are doing that, if any of that money could be kept at home under any fair fiscal policy. If our raw product worth $7,000,000 is finished in the United States into products worth $70,000,000, that means an increase of one thousand per cent in value. But a minute later we were told that this material, worth something like $7 per ton, was being turned into material in the United States worth $100 to $200 a ton. One minute it was $7,000,000 worth of raw material being converted into $70,000,000, an increase of 1,000 per cent, and a moment later it was an increase of 1,400 to 2,800 per cent.

In view of these mistakes that I have pointed out, I think that the House will agree with me that the statements made by the Minister of the Interior (Mr. Stewart) and by the Minister of Finance (Mr. Robb) with respect to the proposed export of power to the United States from Carillon falls are more likely to be reliable than the statements of the hon. member for Vancouver Centre.

There are one or two matters that I would like to bring to the attention of the Minister of Finance.

An hon. MEMBER: Write him a letter.

Mr. McLEAN (Melfort): When I wish to deal with the Minister of Finance I generally talk with him, and I want to talk to the House as well on this occasion. I noted that something was said about research, and somehow I got the idea—doubtless the hon. member did not intend it at all—that research was something to look down upon. I wish to say that the money that the government has spent in the extension of research and the results achieved are highly valued in western Canada. If it had not been for men like Doctor Saunders and other scientists, western Canada would not be in the position in which it finds itself to-day. I have in my hand an editorial from the Saskatoon Daily Star, a paper representing farmers, townspeople and all classes dealing with the need for further research. It says in part that some of the duties of the Research Council are:

> To promote the utilization of Canada's natural resources; to undertake researches with the object of improving the technical processes and methods used in Canadian industry; to investigate and determine standards and methods of measurement: to undertake the standardization and certification of scientific and technical apparatus; to investigate and standardize, at the request of industry, the materials or products of that industry.

It concludes by saying:

> Some inquiries under the Council's auspices have already been completed and with great profit to industry. A McGill professor discovered a way to prevent the spoilage of lobsters in cans, and thus saved the lobster packing industry of Canada $700,000 a year.

This paper points out that the Research Council does not get nearly a sufficiently large grant to carry on, and points out that the United States is spending $200,000,000 annually on applied science research, and an additional $10,000,000 on pure science research. In addition to that, a number of large American industries are spending their own money and time in research work. In comparison with what the United States is doing—of course, in view of its wealth it is very much better able to deal liberally with this question than we are—the $150,000 spent on the Research Council in Canada looks pretty small. This paper goes on to say:

> The Canadian Research Council's $150,000 a year looks pretty meagre when compared to

sums like these. It is not, of course, the total amount being spent on industrial research in the Dominion. But it is the federal government's contribution, and as such it is a joke or a disgrace, or both.

Anyone who has read To-day and To-morrow, that great book of Henry Ford's—I admit that many of my hon. friends opposite do not think much of Henry Ford as a political economist, but they surely respect him as a money-making machine par excellence—will have noticed how much of the Ford estate and his prosperity and the quality and cheapness of his car are due to research work, by studying the best methods to get the best results from the material at his disposal, and to eliminate waste.

I have in my hand a press despatch telling of a new process by which a ton of straw may be burned to extract $250 worth of useful products from the smoke. This chemist has obtained 1,600 pounds of products from each ton of wheat or oat straw, the products including a new germicide favourably reported on by the Mayo Brothers of Rochester, a roofing and damp-proofing paint, and a fly spray. This scientist happened to be a Canadian who left this country and is now in New York carrying on research work. I am sure that for any money we spend in research work we shall be repaid manyfold.

Before taking my seat, I should like to refer for a moment or two to a sentiment I have heard expressed on one or two occasions in this House. I heard it during the past session also, and I have heard it throughout the country. It is the sentiment that hon. members from the province of Quebec are opposed to hon. members from other provinces sitting on this side of the House in matters of fiscal policy. I wish to say to any hon. member who has not been long in this House—I have not been long here myself and am not going to put on any airs—but I heard one hon. member on the other side of the House suggest that some of us to your right do not agree very well with the members from the province of Quebec in fiscal matters. I heard a new member on the other side of the House speak of Quebec. Because one hon. member here had given voice to a protectionist sentiment he took it that that was the opinion of the whole province of Quebec. Speaking of the members from that province I have been able to assure the constituents who elected me, and other audiences in western Canada, that they have been most fair, most reasonable, and generous to us, and all that we members could ask for. The position they took—and I think it was natural they should take that position—was that they were Canadians first, last and all the time, that they and their ancestors had made a living and had prospered to some extent in this great country for some three hundred years, and at a time when it was harder to make money than it is at present. In common with all Canadians they like to make money, yet making money through a high protective tariff was going to interfere with the amity and unity of Canada, and they were going to sacrifice some of that prospective money and do as their forefathers had done, namely, make a good square living and work for the interests of the Dominion.

In closing, I would say that the province of Saskatchewan is not desirous of injuring any legitimate industry in any other part of this Dominion, but is willing to co-operate with all other provinces which are willing to meet us half way and co-operate with us. The Dominion of Canada was referred to the other day as being one of great length and little width. I think the leader of the opposition in his splendid speech to-day referred to it in these terms. Canada to-day is widening and developing from south to north. We do not now hear the cry, "Go west and grow up with the country." The saying in Saskatchewan, and I assume in other provinces, is "Go north and grow up with the country." We are getting further away from the American line and from the influences of our friends over there. We are carrying civilization further, making Canada a wider, broader and deeper country, and Saskatchewan wants to do her part in development for the future.

I picked up a magazine and read in it the statement that an old philosopher said, "The thing that I feared most came upon me," In listening to some of the pessimistic remarks last year I thought of this saying. I do not think I should give the advice to anyone, but draw this to the attention of some hon. members in the hope that they will avoid fearing anything in this Dominion that is not likely to come upon them.

With the soil of Canada as fertile as it is, with a favourable climate and extensive natural resources, with those two great races side by side which have carried civilization forward, the French and the Celtic-Saxon races augmented by the Teutonic, the Slavonic and the Scandinavian; with the laws and the security of Canada what they are, there is no reason why we should be pessimistic; rather we should take the advice of the Right Hon. Prime Minister (Mr. Mackenzie King) and step out with greater faith and more assured

confidence than we ever had before. I am satisfied that the people of Canada are at peace to-night regarding affairs of state, knowing that the budget of the hon. Minister of Finance reflects a sound state of affairs throughout the country, indicating as it does the tremendous improvement that has taken place in a period of five years.

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

YEAS

Messrs:

Adshead,
Bird,
Campbell,
Carmichael,
Coote,
Evans,
Fansher (Last Mountain),
Fansher (Lambton East),
Gardiner,
Garland (Bow River),
Heaps,
Irvine,
Jelliff,
Kellner,
Kennedy,
Lucas,
Luchkovich,
Macphail (Miss),
Speakman,
Spencer,
Woodsworth.—21.

NAYS

Messrs:

Allan,
Anderson (Toronto-High Park),
Anderson (Halton),
Arthurs,
Auger,
Baldwin,
Bancroft,
Barber,
Beaubien,
Bell (St. Antoine),
Bell (St. John-Albert),
Bennett,
Benoit,
Bettez,
Bissett,
Black (Yukon),
Black (Halifax),
Blanchard,
Blatchford,
Boivin,
Bothwell,
Boucher,
Boulanger,
Bourassa,
Bourgeois,
Bowen,
Bradette,
Brady,
Brown,
Cannon,
Cantley,
Cardin,
Casgrain,
Casselman,
Cayley,
Chaplin,
Charters,
Chevrier,
Clark,
Cotnam,
Cowan,
Delisle,
Denis (St. Denis),
Denis (Joliette),
Desaulniers,
Descoteaux,
Deslauriers,
Dickie,
Dionne,
Donnelly,
Dunning,
Dussault,
Edwards (Frontenac-Addington),
Edwards (Ottawa),
Edwards (Waterloo South),
Elliott,
Embury,
Ernst,
Esling,
Euler,
Fiset (Sir Eugene),
Fontaine,
Forke,
Fraser,
Garland (Carleton),
Gervais,
Girouard,
Glen,
Goulet,
Grimmer,
Guérin,
Hall,
Hanson,
Harris,
Hay,
Heenan,
Hepburn,
Hocken,
Howard,
Howden,
Ilsley,
Jenkins,
Johnston (Long Lake),
Johnstone (Cape Breton North-Victoria),
Jones,
Kaiser,
Kay,
King (Kootenay East),
Lacombe,
Ladner,
Laflamme,
Lanctôt,
Langlois
Lapierre,
Lavigueur,
Letellier,
Lovie,
Macdonald (Glengarry),
MacDonald (Cape Breton South),
Macdonald (Kings),
Macdonald (Richmond-West Cape Breton),
Macdougall,
MacLaren,
McLean (Melfort),
MacNutt,
McDiarmid,
McGibbon,
McGregor,
McIntosh,
McKenzie,
McMillan,
McPhee,
McPherson,
McQuarrie,
McRae,
Malcolm,
Maloney,
Marcil,
Matthews,
Maybee,
Mercier (Laurier-Outremont),
Millar,
Milne,
Morin (Bagot),
Morin (St. Hyacinthe-Rouville),
Morrissy,
Motherwell,
Neill,
Perley (Sir George),
Perras,
Pettit,
Preston,
Prévost,
Quinn,
Ralston,
Raymond,
Rhéaume,
Rinfret,
Robb,
Roberge,
Robitaille,
Ross (Kingston City),
Ross (Moose Jaw),
Rutherford,
Ryckman,
Ryerson,
St-Père,
Sanderson,
Séguin,
Senn,
Short,
Simpson,
Sinclair (Queens),
Sinclair (Wellington North),
Smith (Cumberland),
Smith (Stormont),
Smoke,
Spence (Parkdale),
Spence (Maple Creek),
Steedsman,
Stevens,
Stewart (Edmonton West),
Stewart (Leeds),
Stinson,
Stirling,
Sylvestre,
Taylor,
Telford,
Thorson,
Tolmie,
Totzke,
Tummon,
Vallance,
Veniot,
Verville,
Ward,
White (Mount Royal),
Wilson (Wentworth),
Wilson (Vaudreuil-Soulanges),
Young (Saskatoon),
Young (Toronto Northeast),
Young (Weyburn).—182.

Mr. ODETTE: I was paired with the hon. member for West Essex (Mr. Robinson). Had I voted I would have voted against the amendment.

Mr. BOWMAN: I was paired with the hon. member for East Middlesex (Mr. Hodgins). Had I voted I would have voted against the amendment.

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

Mr. MacLEAN (Prince): I was paired with the hon. member for Westmorland (Mr. Price). Had I voted I would have voted against the amendment.

Mr. SPEAKER: The question is now on the main motion. Shall I say carried on the same division?

Some hon. MEMBERS: No.

The House divided on the main motion (Mr. Robb) which was agreed to on the following division:

YEAS:

Messrs:

Adshead,
Allan,
Auger,
Baldwin,
Bancroft,
Beaubien,
Benoit,
Bettez,
Bissett,
Blanchard,
Blatchford,
Boivin,
Bothwell,
Boucher,
Boulanger,
Bourgeois,
Bradette,
Brown,
Cannon,
Cardin,
Casgrain,
Cayley,
Chevrier,
Delisle,
Denis (St. Denis),
Denis (Joliette),
Desaulniers,
Descoteaux,
Deslauriers,
Dionne,
Donnelly,
Dunning,
Dussault,
Edwards (Ottawa),
Elliott,
Fiset (Sir Eugene),
Fontaine,
Forke,
Gervais,
Girouard,
Glen,
Goulet,
Guérin,
Hall,
Hay,
Heenan,
Hepburn,
Howard,
Howden,
Ilsley,
Jelliff,
Jenkins,
Johnston (Long Lake),
Kay,
King (Kootenay East),
Lacombe,
Laflamme,
Lanctôt,
Langlois,
Lapierre,
Lavigueur,
Letellier,
Lovie,
Macdonald (Glengarry),
McLean (Melfort),
McDiarmid,
McIntosh,
McKenzie,
McMillan,
McPhee,
McPherson,
Malcolm,
Marcil,
Mercier (Laurier-Outremont),
Millar,
Milne,
Morin (Bagot),
Morin (St. Hyacinthe-Rouville),
Morrissy,
Motherwell,
Neill,
Perras,
Prévost,
Ralston,
Raymond,
Rinfret,
Robb,
Roberge,
Robitaille,
Ross (Moose Jaw),
Rutherford,
St-Père,
Sanderson,
Séguin,
Sinclair (Queens),
Smith (Stormont),
Spence (Maple Creek),
Steedsman,
Stewart (Edmonton West),
Sylvestre,
Taylor,
Telford,
Thorson,
Totzke,
Vallance,
Veniot,
Verville,
Ward,
Wilson (Vaudreuil-Soulanges),
Young (Saskatoon),
Young (Weyburn).—111.

NAYS:

Messrs:

Anderson (Toronto-High Park),
Anderson (Halton),
Arthurs,
Barber,
Bell (St. Antoine),
Bell (St. John-Albert),
Bird,
Black (Yukon),
Black (Halifax),
Bourassa,
Bowen,
Brady,
Campbell,
Cantley,
Carmichael,
Casselman,
Chaplin,
Charters,
Clark,
Coote,
Cotnam,
Cowan,
Dickie,
Edwards (Frontenac-Addington),
Edwards (Waterloo South),
Embury,
Ernst,
Esling,
Evans,
Fansher (Last Mountain),
Fansher (Lambton East),
Fraser,
Gardiner,
Garland (Bow River),
Garland (Carleton),
Grimmer,
Hanson,
Harris,
Heaps,
Hocken,
Irvine,
Johnstone (Cape Breton North-Victoria),
Jones,
Kaiser,
Kellner,
Kennedy,
Ladner,
Lucas,
Luchkovich,
MacDonald (Cape Breton South),
Macdonald (Kings),
Macdonald (Richmond-West Cape Breton),
Macdougall,
MacLaren,
MacNutt,
Macphail (Miss),
McGibbon,
McGregor,
McQuarrie,
McRae,
Maloney,
Matthews,
Maybee,
Perley (Sir George),
Pettit,
Preston,
Quinn,
Ross (Kingston City),
Ryckman,
Ryerson,
Senn,
Short,
Simpson,
Sinclair (Wellington North),
Smoke,
Speakman,
Spence (Parkdale),
Spencer,
Stevens,
Stewart (Leeds),
Stinson,
Stirling,
Tolmie,
Tummon,
White (Mount Royal),
Wilson (Wentworth),
Woodsworth,
Young (Toronto Northeast).—88.

PAIRS

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

Messrs:

Mercier (St. Henri),	Bell (Hamilton),
Gershaw,	White (London),
Euler,	Manion,
Odette,	Robinson,
Tobin,	Drayton,
Rheaume,	Gott,
Power,	Rennie,
MacLean (Prince),	Price,
Dubuc,	Church,
King (Prince Albert),	Guthrie,
Lang,	Geary,
Goodison,	Peck,
Bouchard,	Hubbs,
Cahill,	Thompson,
Bowman,	Hodgins,
Lacroix,	Rowe,
Lapointe,	Bennett,
Duff,	Smith (Cumberland),
Jacobs,	Cahan,
Pouliot,	Lennox,
Parent,	Boys,

Mr. GARDINER: I understand that in the first vote Mr. Speaker announced twenty members as having voted for the amendment. I want to call the attention of the House to the fact that that is a mistake. There were twenty-one who voted for the amendment.

An hon. MEMBER: You are right.

Mr. MERCIER (St. Henri): I was paired with the hon. member for Hamilton (Mr. Bell). Had I voted I would have voted for the motion.

Mr. RHEAUME (Translation): I was paired with the hon. member for South Essex (Mr. Gott). Had I voted I would have voted for the motion.

Mr. BENNETT: I was paired with the Minister of Justice (Mr. Lapointe). Had I voted I would have voted against the motion.

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

Mr. SMITH (Cumberland): I was paired with the hon. member for Antigonish-Guysborough (Mr. Duff). Had I voted I would have voted against the motion.

Mr. ODETTE: I was paired with the hon. member for West Essex (Mr. Robinson). Had I voted I would have voted for the motion.

Mr. EULER: I was paired with the hon. member for Fort William (Mr. Manion). Had I voted I would have voted for the motion.

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

[Mr. Speaker.]

Mr. PARENT: I was paired with the hon. member for North Simcoe (Mr. Boys). Had I voted I would have voted for the motion.

Mr. BOWMAN: I was paired with the hon. member for East Middlesex (Mr. Hodgins). Had I voted I would have voted for the motion.

Mr. MacLEAN (Prince): I was paired with the hon. member for Westmorland (Mr. Price). Had I voted I would have voted for the motion.

WAYS AND MEANS

The House in committee of ways and means, Mr. Johnston in the chair.

Progress reported.

On motion of Mr. Robb the House adjourned at 1.55 a.m. (Wednesday).

Wednesday, March 2, 1927

The House met at three o'clock.

PRIVATE BILL

FIRST READING

Bill No. 112 respecting The Bronson Company.—Mr. Edwards (Ottawa).

REPORT OF COMMITTEE

First report of the select standing committee on agriculture and colonization.—Mr. Kay.

PRIVILEGE—Mr. GARDINER

On the Orders of the Day:

Mr. ROBERT GARDINER (Acadia): Mr. Speaker, I rise to a question of privilege, arising out of an article appearing in the Montreal Star under date of Monday, February 28. This statement reflects upon the honour of a certain group in this House, and is supposed to have been made by the Deputy Speaker (Mr. Johnston). Before I read the article permit me to remind the House that it is necessary to have certain officers here in order that the business of parliament may be conducted with despatch; some of these officers are appointed while others are elected. Those elected officers, the Speaker and the Deputy Speaker, are responsible to the House alone, and not to any party or group in this House, because of the fact that it is absolutely essential that these officers be strict in their impartiality as between the different members and sections in this House. The article in the Star is as follows:

Western Visitors' Outlook Widened
Fred Johnston, M.P., Sees Benefit In Inspection of Plant

"The fifty members of parliament who viewed one phase of eastern industry Saturday, as the guests of Sir Charles Gordon, are returning to Ottawa with a better understanding of the problems that face the working people in a great city," Fred Johnston, M.P., Deputy Speaker of the House of Commons, stated before boarding the special train for the capital.

"No matter how broadminded a man may be potentially if he lives in one environment for a number of years, he is bound to become narrow and lose any faculty he ever possessed of seeing problems as they affect Canada as a whole," Mr. Johnston continued. "The members from the wide open spaces on the prairies spent the day studying the conditions under which workers in the manufacturing industry labour, and I am sure they all felt that a sixteen hour day behind the plough with a sunny sky overhead would not take as much out of a man as a nine hour day in a factory.

"I was particularly pleased that the U.F.A. members of parliament from Alberta saw the men and women at work earning their livings in the Dominion Textile Company plant. It would be a great thing for those gentlemen if they could be taught to see our problems from the national viewpoint.

"The U.F.A. members are selfish," Mr. Johnston asserted. "The prairies are getting four-fifths of what they asked for, namely: revaluation of soldiers' lands, farm loans, old age pensions, and there is an item of $5,000,000 in the estimates for the Hudson Bay railway. Now they are trying to befuddle the brains of the people they represent by raising a hue and cry for lower tariff. It is generally recognized that this is the only way in which they can justify their existence. It is good for the west to meet the east. Westerners are prone to forget that the east has pressing problems of its own, and that there must be compromise on the part of all if Canada as a whole is to progress and prosper".

Hon. Charles Stewart, Minister of the Interior; Hon. Charles Dunning, Minister of Railways and Canals; Hon. W. R. Motherwell, Minister of Agriculture, and Hon. Robert Forke, Minister of Immigration, who are in the party are all from the prairies, and like the Deputy Speaker are practical farmers.

The question I wish to bring before the House particularly Mr. Speaker, in regard to this article is contained in the following:

I was particularly pleased that the U.F.A. members of parliament from Alberta saw the men and women at work earning their livings in the Dominion Textile Company plant. It would be a great thing for those gentlemen if they could be taught to see our problems from the national viewpoint.

The inference in that statement is that the U.F.A. members in this House are the only ones who have not got a broad national outlook, but that all other members in the House, no matter from whence they come, possess that broad national outlook which Mr. Johnston thinks is essential. Now the statement that we take further objection to is that the U.F.A. members are selfish. We maintain, Mr. Speaker, that we are not more selfish than any other class in Canada, and it is not fair for any member of the House to make such a statement—that members here representing a certain group, or class, or organization are more selfish than the members of any other class or organization. The statement goes on to say further:

Now they are trying to befuddle the brains of the people they represent by raising a hue and cry for lower tariff.

I think, Mr. Speaker, that hon. members who have been in this House as long as the U.F.A. members, namely, since 1922, will admit that we have always stood very strictly for certain principles. We have never deviated from those principles and one of them is the principle of a lower tariff. The statement goes on to say:

It is generally recognized that this is the only way in which they can justify their existence.

We take exception to that statement also. Our position is justified by the organization that nominates and elects us. The program which that organization lays down for our guidance is the program which justifies our being in this House and no other.

I quite recognize, Mr. Speaker, that there may be some question as to whether this statement was actually made by the Deputy Speaker. It is true it is only a newspaper report, but I would say at this moment that I think the Deputy Speaker should be given an opportunity of saying whether this report is correct or not. If the report is correct it would mean that the Deputy Speaker is occupying a position that he has no right to occupy and the occupancy of which he cannot justify because he has not shown the impartiality which is necessary to that position.

Some hon. MEMBERS: Oh, oh.

Mr. SPEAKER: Order.

Mr. GARDINER: I will be very pleased indeed for the Deputy Speaker to say whether he made the statement or not before I proceed further.

Mr. DEPUTY SPEAKER: This matter was brought to my attention yesterday and I rather expected the attention of the House would have been drawn to it then on the orders of the day. At that time I had the article in question before me but I do not happen to have it at the present moment. I can say to my hon. friend and the House that there are one or two statements in the article

to which I did not give utterance. I did not term the U.F.A. members selfish. In speaking to the reporter I referred in general terms to western members and the western attitude. In no case did I term western members selfish.

With respect to the other matters mentioned by my hon. friend, all members of the House know that newspaper reporters take a statement and make it appear just a little different from the words actually uttered. My statements to the reporter were general.

Mr. HANSON: Blame it on the reporter.

Mr. DEPUTY SPEAKER: Not at all. I in no way reflected on the honour of any member in this House or of the members of the U.F.A., or any other organization. I think, Mr. Speaker, that is all I have to say.

Mr. GARDINER: I accept the statement of the hon. gentleman with pleasure. But, Sir, I should like to call your attention again to the fact that this article reflects on the honour of certain members of this House, and I would ask you, Sir, to use whatever influence is within your power to see that such a statement is withdrawn and an apology made for publishing it.

PRIVILEGE—MR. BROWN

On the Orders of the Day:

Mr. J. L. BROWN (Lisgar): Another question of privilege.

Some hon. MEMBERS: Oh, oh.

Mr. BROWN: I had not intended, Mr. Speaker, to refer to this matter publicly, but I think perhaps the present is a good occasion to do so. Some few days ago I made some remarks in this connection and I had thought that we were not likely to hear anything more of the kind. I refer to an article by one of the members of the Progressive group which appears in this morning's Citizen, copied from the U.F.A. weekly. With the first part of the article I shall not deal, but there is a sentence at the close to which I take exception. It is as follows:

> In the Dominion House we had an analogous incident when the Progressives bolted, jumped the fence and sought a hyphenated refuge in the Liberal fold.

Some hon. MEMBERS: Oh, oh.

Mr. HOCKEN: Why object to that.

Mr. BROWN: Like the hon. members from Alberta we also are responsible to our constituents. Our position here is absolutely endorsed by our constituents and therefore we have no apologies to offer in that respect. We do take exception to the implication in the statement that we sought a refuge. We have sought no refuge. The hon. members for this group have accepted their full responsibility. We have felt the responsibility that devolves upon us of carrying out the policies we had advocated, and at the same time striving to give to this country the stable government that we desire.

It has been suggested to me that I did not point out who wrote this particular article. You will find it by reading the Citizen; it is by one of the members of the Alberta group. We have heard a good deal in this House already about the imputing of motives. I would remind hon. members that it is possible for us also to impute motives, and if we look back over the history of the past five years, it is not just so clear that certain hon. members are entirely invulnerable.

Mr. SPEAKER: The House is generally very lenient in regard to questions of privilege, but the breach of privilege must be a real one. This is what May says:

> Libels on members have also been constantly punished: but to constitute a breach of privilege they must concern the character or conduct of members in that capacity, and the libel must be based on matters arising in the actual transaction of the business of the House.

I have listened to both cases this afternoon, and I may say, for the honour of the House and of all its members, I do not see any libellous interpretation to be given to either the interview supposed to have been given by the Deputy Speaker or to the article which has just been quoted by the hon. member for Lisgar. There is no question of privilege there and I think the House would do well to transact business.

Mr. BROWN: If there is no question of privilege in either case, I remain satisfied with having stated my case.

Mr. ROBB: I do not rise to take any exception to your ruling, Mr. Speaker, that there is no question of privilege, but I rise to say that it must be a great privilege to the Dominion Textile Company to have so much free advertising.

DEPARTMENT OF NATIONAL REVENUE

REORGANIZATION OF DEPARTMENT OF CUSTOMS AND EXCISE

Hon. W. D. EULER (Minister of Customs and Excise) moved for leave to introduce Bill No. 113, respecting the Department of National Revenue.

Some hon. MEMBERS: Explain.

Mr. EULER: This bill provides for certain changes in the organization of the Department of Customs and Excise. It proposes to

divide the department itself into three chief branches: Customs, excise, and income tax. Each of these branches is to be placed in charge of a commissioner who shall have practically the power of a deputy minister. It will also give authority to the minister to transfer some of the work now devolving upon him to these commissioners. This is done in the interest of the despatch of public business and efficiency.

There is just one other clause that is perhaps of some, although not of great, importance, and that is the one which deals with changing the name of the department. We propose to call it the Department of National Revenue, or possibly the Department of Revenue. The reason for that is not because of any particular prejudice against the department which has been under fire, but because the new title is more descriptive of the functions of the department than the present title. The department has charge of the collection of practically all the revenues of the country. The name "Department of Customs and Excise" does not imply nor include the collection of the income tax, nor of the sales tax, which of course may be regarded as an excise tax. Those are all the provisions of the bill that, I think, might interest the House.

Motion agreed to and bill read the first time.

DEPARTMENTAL SUPPLIES AND SURPLUS GOODS

On the order:

Mr. Ward—Bill intituled: "An Act respecting the purchasing and disposal of departmental and other supplies and surplus goods."

Mr. SPEAKER: As regards this bill standing in the name of Mr. Ward, the point of order raised yesterday by the leader of the opposition (Mr. Guthrie) is well taken. I had not seen the bill because it was just printed and handed to me yesterday afternoon. It contains various clauses which involve a large expenditure of money. For instance, clause 3 reads:

> There shall be a department of the government of Canada, which shall be called the "purchasing department", over which the Minister of Finance, for the time being, appointed by the Governor General by commission under the great seal of Canada, shall preside.

Needless to say that the creation of a new department means the expenditure of a large amount of money. The bill would properly come under rule 77 which reads:

> If any motion be made in the House for any public aid or charge upon the people, the consideration and debate thereof may not be presently entered upon, but shall be adjourned till such further day as the House thinks fit to appoint; and then it shall be referred to a committee of the whole House, before any resolution or vote of the House do pass thereupon.

Therefore this bill should be introduced by one of the ministers of the crown. It should be preceded by a resolution as to all intents and purposes it is a money bill. Therefore I declare it out of order.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

STEAMER PELEE

Mr. GOTT:

1. Does the government propose to renew the subsidy to the steamer Pelee for the coming season of navigation?
2. If so, what subsidy is proposed?

Hon. Mr. MALCOLM: The subsidy contract has been renewed at the same rate of subsidy previously paid, namely, $11,000 for the season of navigation.

CAMPBELLTON AND MONCTON POST OFFICE EMPLOYEES

Mr. HANSON:

1. What are the names of all the employees in the post offices at Campbellton and Moncton, New Brunswick?
2. What is the salary of each and the date of their appointment?

Hon. Mr. VENIOT: See statement herewith:

Campbellton

1 and 2.

Statement showing names of postmaster and assistants in Campbellton post office, N.B., with remuneration and years of service in each case.

Postmaster, Arthur J. McIntyre; Date of appointment, 13-5-1924; Total remuneration, $7,444.

Assistants	Length of service	Amounts paid by postmaster out of above remuneration
Miss Tyler	6 yrs.–6 months	$ 780
Miss Matthews	3 yrs.–4 months	720
Miss Duncan	2 yrs.–6 months	600
Miss Plamondon	1 yr. –4 months	600
John Boucher	5 yrs.–6 months	1,200
Roland Miller	2 yrs.–2 months	420
H. Brown	6 months	180

The remuneration of the postmaster at Campbellton is based on the revenue of his office and, therefore, varies from year to year. Out of the total amount paid by the department he is required to provide at his own expense the necessary assistance for the proper service of the public.

EMPLOYEES IN THE MONCTON POST OFFICE

Permanent

Name	Class Title	Date of appointment	Salary
Harris, John H	Postmaster	14th April, 1915	$3,300
Henderson, Jos. S	Asst. Postmaster	14th Feb., 1895	2,700
Armstrong, F. A	Sr. Postal Clerk	5th Oct., 1903	1,920
Harris, Geo. R	Sr. Postal Clerk	18th Mar., 1907	1,920
O'Neill, Charles	Sr. Postal Clerk	20th May, 1913	1,860
Leger, Arthur D	Postal Clerk	6th Aug., 1912	1,680
Dawson, Daniel	Postal Clerk	1st Mar., 1913	1,680
Gourley, L. Miss	Postal Clerk	23rd Oct., 1915	1,680
Porter, Chas. R	Postal Clerk	3rd May, 1918	1,680
LeBlanc, Wm. D	Postal Clerk	23rd Sept., 1908	1,680
Lutes, A. B	Postal Clerk	2nd Aug., 1910	1,680
Murray, S. M	Postal Clerk	16th Apr., 1920	1,680
Miller, Gordon	Postal Clerk	3rd May, 1920	1,680
McFarlane, G	Postal Clerk	22nd May, 1916	1,680
Amos, C. W. F	Postal Clerk	1st Mar., 1920	1,680
Buxton, Ronald	Postal Clerk	18th Aug., 1920	1,680
Sowerby, Robert	Postal Clerk	18th May, 1918	1,680
White, Wm. J	Postal Clerk	3rd Sept., 1920	1,680
Fear, Jos. R	Postal Clerk	21st Jan., 1920	1,560
LeBlanc, G. A	Postal Clerk	15th Mar., 1920	1,560
LeBlanc, E. A	Postal Clerk	17th Mar., 1920	1,560
Welsh, Fred	Postal Clerk	30th Mar., 1920	1,560
Boudreau, E. J	Postal Clerk	9th Nov., 1920	1,560
Burdon, W. McF	Postal Clerk	10th Nov., 1920	1,560
Wilson, Edwin	Postal Clerk	11th Nov., 1920	1,560
LeBlanc, Roy J	Postal Clerk	15th Sept., 1921	1,560
Slipp, Geo., L	Postal Clerk	29th Nov., 1920	1,560
Rogers, Clinton	Postal Clerk	26th Nov., 1920	1,560
Shaw, Murray, W	Postal Clerk	6th Dec., 1920	1,320
Jarvis, Ernest R	Postal Clerk	10th May, 1921	1,320
Soper, Geo. S	Postal Clerk	18th April., 1922	1,320
Rickard, F. W	Postal Clerk	24th July, 1922	1,320
Jones, V. McM	Postal Clerk	2nd Apr., 1923	1,320
Pincombe, J. Wm	Postal Clerk	1st Apr., 1920	1,440
Kay, Edith G. Miss	Typist Grade 2	26th Feb., 1920	1,200
Stone, Arthur E	Sr. Letter Carrier	23rd Sept., 1908	1,620
Walton, C. E	Letter Carrier	23rd Sept., 1908	1,440
Duncan, LeBaron	Letter Carrier	13th Feb., 1918	1,440
Legers, Henry P	Letter Carrier	8th May, 1920	1,440
Beaman, Ruel D	Letter Carrier	1st Jan., 1921	1,440
Quartermain, C. L	Letter Carrier	2nd May, 1921	1,440
Steeves, Henry B	Letter Carrier	16th Mar., 1921	1,440
Cochrane, Harold E	Letter Carrier	20th June, 1922	1,440
McDonald, John H	Letter Carrier	12th Mar., 1923	1,440
Hargrove, Percy W	Letter Carrier	12th Mar., 1923	1,440
Reade, John B	Letter Carrier	16th Apr., 1923	1,440
Donaghy, Fred'k. A	Letter Carrier	2nd Apr., 1923	1,440
Jones, Thos. D	Letter Carrier	3rd Oct., 1925	1,080
Atkinson, Wm. D	Sr. Mail Porter	12th June, 1907	1,620
Stultz, John C	Mail Porter	6th April, 1912	1,440
Carey, Jas. D	Mail Porter	29th Mar., 1916	1,440
Smith, Lawson	Mail Porter	1st Apr., 1918	1,440
Delahunt, Wm. P	Mail Porter	22nd Nov., 1916	1,440
Lynch, K. S	Mail Porter	11th Mar., 1920	1,440
Charters, D. I	Mail Porter	17th Mar., 1920	1,440
Arsenault, A	Mail Porter	22nd Apr., 1920	1,440
LeBlanc, J. E. A	Mail Porter	14th June, 1920	1,440
Johnston, Robert H	Mail Porter	1st Nov., 1920	1,440
Walker, James	Mail Porter	1st Dec., 1922	1,440
Horsman, Frank V	Mail Porter	4th May, 1921	1,200
Buxton, Frank	Mail Porter	14th May, 1923	1,320
Steeves, Chas. B	Mail Porter	17th Sept., 1923	1,320
McDonald, J. B	Mail Porter	16th Dec., 1923	1,200
Carson, L. B	Postal Helper	1st Jan., 1924	1,260
Elliott, R .F	Postal Helper	1st Sept., 1924	1,140
Carroll, Richard H	Postal Helper	14th Jan., 1924	1,140
Van Buskirk, J. T	Postal Helper	18th Dec., 1925	1,020

EMPLOYEES IN THE MONCTON POST OFFICE—*Concluded*

Temporary employees

Name	Class Title	Date of appointment	Salary
Dayton, H. R.	Postal Helper	1st Jan., 1925	1,020
LeBlanc, G. Ant	Postal Helper	16th Nov., 1925	1,020
Black, Richard H	Postal Helper	4th Jan., 1926	1,020

CANADIAN NATIONAL RAILWAYS—POINT EDWARD ORE DISCHARGE DOCK

Mr. MacDONALD (Cape Breton):

1. Does the Canadian National Railway own the ore discharge dock at Port Edward, Ontario?
2. When was this dock built?
3. What was the total cost of dock, excluding equipment?
4. Who owns the discharge equipment on such docks?
5. What was cost of discharge equipment?
6. Does the Canadian National Railway operate the dock and equipment or either?
7. If not operated by Canadian National Railway, to whom is the dock or equipment leased?
8. If leased, what rental has been received each year during the past seven years?

Hon. Mr. DUNNING:

1. The Canadian National Railway owns the ore discharge dock at Point Edward.
2. In 1903, by the former Grand Trunk Railway Company.
3. No record.
4. Steel Company of Canada.
5. No information.
6. The Canadian National Railway operates the dock, but not the equipment.
7. The dock is not leased. The Steel company enjoys only common use.
8. See answer No. 7.

MAYO MINING RECORDER

Mr. BLACK (Yukon):

1. Was one George Reid recommended for appointment as acting mining recorder, or to perform the duties of mining recorder at Mayo, Yukon Territory, during the temporary absence of the mining recorder of Mayo during the winter of 1926-1927?
2. If so, who in Yukon recommended said Reid's appointment, and when?
3. Was the appointment of said Reid made, and when?
4. Was the said appointment of said Reid cancelled, and, if so, when and why?
5. On whose recommendation was the same cancelled?
6. Was one Colley appointed to said position instead of said Reid, and, if so, when and why?
7. Who in Yukon recommended said Colley's appointment, and when?
8. Is the government aware that said Reid is a veteran of the Great war, and has been on active service in France, and is also a veteran of the South African war?
9. Why was the law of Canada requiring preference among candidates possessing the necessary qualifications to be given to persons who have been on active service overseas, not complied with in this case?

Hon. Mr. STEWART:

1, 2 and 7. Howard Colley and George Reid were reported by Gold Commissioner Dawson as possessing the required qualifications for the position of acting mining recorder at Mayo during the temporary absence of Recorder Gillespie.

3. No.

4 and 5. Answered by No. 3.

6. Howard Colley was engaged because he was considered to be the most suitable man for the position. He commenced his duties on October 2.

8 and 9. The department had no information as to whether either Mr. Colley or Mr. Reid were returned soldiers, and as engagement was only for short temporary period during absence permanent official, this point was not raised.

AERIAL MAP OF MONTREAL

Mr. MERCIER (St. Henri):

1. Is it the intention of the government to make at an early date a map of the city of Montreal, Quebec, by aerial photography?

Hon. Mr. STEWART: As the result of a request from the city of Montreal to have an aerial photographic map of the island of Montreal made by the Topographical Surveys branch the officers of the branch are now negotiating with officials of the city in order to determine just what the requirements are and how the cost of the work may be apportioned, and with a view to having the work undertaken during the coming summer provided satisfactory arrangements can be made.

MARKING OF IMPORTED EGGS

Mr. NEILL:

Is it the intention of the government to bring down legislation this session to give effect to the resolution moved by myself on March 18, 1926, and carried, to the effect that it was desirable that the Eggs Marks Act of British Columbia be made applicable to the Dominion of Canada as a whole?

Hon. Mr. MOTHERWELL: A resolution approving the principle of marking all imported eggs so as to indicate country of origin was accepted by parliament last session, and the government is naturally desirous of carrying out the wishes of parliament generally. It would not, however, seem desirable that action should be taken in this respect during the present session.

QUESTION PASSED AS ORDER FOR RETURN

DISMISSAL OF POSTMASTERS

Mr. GARLAND (Bow River):

1. How many postmasters were dismissed from the public service between October 29, 1925, and September 14, 1926; (a) on account of political partisanship; and (b) for other causes?
2. How many postmasters were dismissed from the public service between September 15, 1926, and the present time; (a) for political partisanship; and (b) for other causes?

NATURAL RESOURCES—ALBERTA

Mr. EVANS:

For a copy of proposed agreement regarding resources of Alberta, with amendments; also a copy of all correspondence between the Premier of Canada and the Premier of Alberta, dealing with same, from December, 1921, to date.

Hon. J. A. ROBB (Minister of Finance): Mr. Speaker, I do not rise to oppose this motion, but as the matter is now before the courts, I would request my hon. friend to allow the motion to stand until the Minister of Justice (Mr. Lapointe) is in his seat.

Mr. BIRD: The mover of the motion is not in the chamber at present, so perhaps the motion had better stand.

Motion stands.

THE CIVIL SERVICE ACT

PREFERENCE TO THOSE WHO HAVE A KNOWLEDGE OF BOTH OFFICIAL LANGUAGES

Mr. P. A. SEGUIN (L'Assomption-Montcalm) (Translation) moved:

That, in the opinion of this House, in view of spreading the knowledge of both official languages in the public service and thereby rendering it more effective:

The Civil Service Act should be amended so as to give preference in future appointments to candidates knowing the two official languages.

The public employees having a knowledge of both the official languages, should, owing to this qualification, be better remunerated; and the superiority of the employees possessing both languages should be considered in all reclassification.

[Mr. C. A. Stewart.]

He said: Mr. Speaker, the purport of the resolution which I have the honour to submit for the consideration of this House is entirely of an administrative character. Strongly impelled by a concern for the welfare of the public weal, I trust that no one will see or seek in this proposal any evidence of narrow-mindedness on my part, The wording of the resolution which I have moved, moreover, is so clearly worded that it may seem useless to further comment upon it. This resolution, Sir, rests on the constitution itself of our country which has placed English and French on an equal footing.

Whether we regret or rejoice over it, we are living in a bilingual country. This is the plain truth against which it would be useless to rebel. In fact, Canada is perhaps the only country in the world which is really bilingual and bestows through its constitution the same rights, the same privileges, the same honours to the two best known and widely spread languages in the world. It would be futile to sing the praises here of the English language or the beauties of the French tongue; on that score we all agree, and I am certain that among us, not a discordant note would be heard.

Since such is the case, Mr. Speaker, we are bound to act accordingly. If English and French are both official languages, it seems to me that we have a right to express ourselves equally in either one or the other, especially when we happen to call at any office of the public service. Since the population is bilingual so must be the administration. There exists in this country a large group whose language is French. These are actual conditions. There also exists another group whose language is English and they are in the majority. This is another state of things. Must we be called upon to choose between the two languages? Shall we subject one to the other?

In the province of Quebec, Sir, the French element, which is in the majority, has always shown its good will and impartiality when it was a question of affording to both official languages the same solicitude and favours, and all the head officials of the provincial government are bilingual; moreover, never have we neglected the occasion of publishing

in English as well as in French all documents which might interest the two sections of our population. Do we act likewise in other provinces where the French element is as numerously important as the English element is in the province of Quebec?

There are, Sir, no two ways of governing a country, even if it be bilingual—there is but one: We must do our utmost in order that the administration be as equitable as possible. Is it so difficult a thing? There seems to exist people for whom difficulties crop up when it is a question of being fair to others. People have relied too much, within the last fifteen years, upon the Entente Cordiale between France and England, in order to ask for the same good feeling here, in this country, between English speaking citizens and those speaking French; the entente existing overseas has nothing to do with the good feeling existing among us, for the very reason that a conflict, even an armed one, between France and England might have nothing disloyal in itself, neither for the French nor the English, while on the contrary any conflict between Canadians of French extraction and Canadians of English extraction would be a fratricidal conflict, hindering the general welfare of the country and barring all aspirations towards further progress. We live, Sir, in Canada, under conditions which are not to be found elsewhere. Two races, equally at home, either owing to their origin or through various events or else owing to immigration, speak two languages that are not sufficiently alike to constitute a single vehicle of thought and action, and thereby meet the needs of the people. It is evident, that it is not a question of doing away with one or the other of these two languages, because it would also be doing away with one or the other of the two principal races that are here at home, and quite at home. This is not even possible among individuals in either their social or business intercourse. Modern conditions, those that events have framed, especially with regard to us Canadians of English or French extraction force us to adopt bilingualism. And those who forget this or repudiate it, find the wide avenues which lead to wealth, honours or to easy and agreeable life, closed to them.

Furthermore, Mr. Speaker, there is the influx of a foreign element. These people do not all speak English. Only the immigration coming from the British Islands—a large one if you like— speak and will continue to speak the English language. But the other, the one which comes to us from central or western Europe, the immigration hailing from France, Italy, Belgium, Poland, Japan, Czecho-Slovakia and South America, speak French or have a leaning towards it, because it is largely Latin or Slavonic in its connections. After having invited these people, after having brought them to our shores, by force of money, that has come out, let us not forget it of French as well as English pockets—would it be loyal, and on what grounds would it be loyal, I ask you, to keep them segregated by refusing them the means of communicating with the various services of the state? Nevertheless, Sir, that is what is done by obliging the whole of this group of our population, and not the least intelligent nor the least active, believe me, of making use of a language of which they know nothing or very little. Some will no doubt say: This is an English country, and English is spoken here—they are wrong: this country is Canadian; one must make the best of it, and the sooner individuals as well as the administration acknowledge this fact, the better.

This much said, Sir, how do we stand as a matter of fact? Are the servants of the state in a position to contribute what is expected of them, are they in a position to fulfil all the exigencies of a bilingual population? I am aware that the government so far as they are directly or immediately concerned are making laudable efforts in that direction. It is but fair to congratulate them, and I know that these congratulations have not been wanting. I may add that the first steps recently undertaken have created, a little everywhere, a feeling of satisfaction which is openly acknowledged. However, the government is not favoured with the gift of ubiquity. There exists an administrative system which, once created, must operate through its own resources. The government cannot be expected to start the wheel moving at each revolution. It must be admitted that friction exists oftener than there is reason for it, and that hinders good administration. It is necessary that this friction should disappear. I hold that it is an easy matter, that the means are within our grasp. This friction is caused by one of the most flagrant, serious and dangerous injustices that I know of: that of placing on the same footing the public officials who speak a single language with those who are bilingual. The Civil Service Commission does not seem to take into consideration whatsoever the fact that our country is bilingual, and therefore, that all candidates aspiring to any position—take note, I state to any position—should possess as the first qualification

a knowledge of French and English. I must add, however, that the Civil Service Commission cannot be blamed for this state of things, simply because the act seems to have made no provision in this matter. Therefore, the first part of my motion as it is found in the Votes and Proceedings of the House, is as follows:

The Civil Service Act should be amended so as to give preference in future appointments to candidates knowing the two official languages.

I did not wish to be too harsh, I, therefore, made use of the word "preference" for I am aware that if at present, we rigorously stipulated that the two languages were necessary, there would be unavoidably too great a number of Canadians who would not be eligible for positions in the civil service. It is nevertheless certain that if our Civil Service Act did stipulate that preference which I am discussing now and if the Civil Service Commission undertook to insist as much as possible on this preference, it would not be less certain, I state, that it would have the immediate effect of forcing all candidates to familiarize themselves with both official languages, and, consequently of assuring a more effective service. It has, for ever so long, been acknowledged that "a man possessing perfectly two languages is worth two men," and it is a truth, because the study of a language, whether a dead language the usefulness of which is more or less contested, as for instance Latin and Greek, or whether a living language and thereby of an unquestionable usefulness, such as French and English, is the best intellectual exercise that can be given to a young mind. Such gymnastics is equivalent to that which is given to our children for their physical development.

Mr. Speaker, our civil servants constitute, I have no hesitation in stating, an intellectual aristocracy in the midst of our population and the services they render to our country, outside of their office hours, are precious and incalculable. Without entering into useless details, I may at least state that our employees are either medical men, lawyers, notaries, journalists, historians, writers, lecturers, inventors, at all events men given to research work and hard workers. A great number of movements of a national character have had their source in the heads and hearts of public officials and it is but right to congratulate them on that score.

If it is true that perfection is not to be found on this earth, it is equally true that it behooves each of us to do our best. But the best, in the present case, is the aptitude in the employee to interpret with ease the two official languages of this country.

[Mr. Seguin.]

If, Sir, in all countries, in France where they have set their soul and heart, in a very characteristic French manner, to the study of English, in England, where the French tutor is lodged as one of the household in the most exclusive families of the old aristocracy as well as among the middle classes; in the United States, where, especially since the war, French is spoken fluently among the political element as among people of social standing; if, in brief, people all over the world have set their hearts with enthusiasm to the study of languages, and here, I mean the French and English languages, I question if it be logical that, in a country essentially bilingual, and therefore must remain such—let us not forget—a large portion of the administrative staff should be deficient in one or the other of these two languages? I fail to see what reasons, what plea, what excuse can be invoked to persist in a state which, it is generally conceded, looking at it under various angles, constitutes an inferiority.

Mr. Speaker, French speaking candidates must be able to speak English if they wish to be admitted to our public offices. And what I have stated in connection with the rank and file, I state it more emphatically again as regards the heads of departments, the higher officials, those who have to meet the public at large, the educated people, the upper classes. This also applies to the English speaking officials. Let not the latter imagine that it is beneath their dignity to qualify in the use of French in their dealings with the public. Let them take their cue from the Mackenzie Kings, the Fosters, the Fieldings, the Meighens, the Draytons, the Manions and many others who at forty, fifty or sixty years of age buckled down to learn French. Let them inquire from the latter if they would consent to give up to-morrow what they have learned of this language.

How many talented men—we are all acquainted with some—who have been a total loss to the nation, and have not amounted to anything simply becauses they had neglected the study of languages and deemed it too late to make a start.

In the interest, Sir, of the whole country, it is indispensable that our public servants should know the two official languages. That is why the first part of my motion requests that the Civil Service Act be amended in order to give preference in future appointments to candidates possessing these two languages.

How are we to establish this preference? It is a simple matter: give the position applied for to the candidate who knows both languages, and should there be a number of

candidates having a knowledge of the two languages, the position much necessarily be allotted to the one who seems most qualified to fill it. The knowledge of both languages has naturally required a greater effort on the part of the one who possesses them and this puts him in a better position to render greater services to the state.

The arguments which I have put forth sets me at ease in broaching the other part of my motion which reads as follows, as you will find in the Votes and Proceedings of the House:

The public employees having knowledge of both the official languages, should, owing to this qualification, be better remunerated; and the superiority of the employees possessing both languages should be considered in all reclassification.

In fact, Sir, it is but fair and logical to give a more substantial remuneration to the bilingual employee, than to the one who unwillingly or purposely confines himself to the use of one language, and expects a whole population or at least a good portion of the country to bow to his intolerance or ignorance, the two, after all, go hand in hand.

First is an official who makes use of the two languages of this country—I shall not say with equal facility but nevertheless with ease—in both cases—better situated to render more effective service to the state? The answer goes without saying. A bilingual official like a person forewarned is forearmed. In his dealings with the public, no time is lost, no waiting in vain, no quid pro quo, no uneasiness of the kind which forces, as a last resort, the ratepayer to prefer anything rather than knock at the door of a government office. This breeds discontent against the government itself which is charged with harbouring, at very high salaries, individuals whose greatest merit is arrogance and chief virtue idleness. Wherever there is but a narrow margin between the former and the latter and this is soon filled in. We, the members know something about it, we, that have very often to cover up mistakes of officials speaking but one language and furnish explanations which we must invent, thanks to an imagination well trained beforehand. If this be a fact—and it is so—is it necessary for me to argue that ten bilingual employees are worth twenty who speak a single language? I only request for the former, whosever they may be, and they are to be found among the English as among the French, a remuneration in keeping with the services rendered. All things equal, I consider that it is a formal duty to appoint to the higher positions, bilingual citizens.

Should it be found too difficult to grant them the salary to which they are entitled, let them at least be granted, in their present occupation, a salary in keeping with the services they render or may render, and I insist on that point. Furthermore, Sir, I wonder by virtue of what logic, the heads of departments, those responsible are released from the obligations which are imposed upon the humble, the lower grades? Does the salary they receive exempt them from such obligations, and does the fact of their being placed on the civil list constitute a right to neglect learning a language, an ignorance which would not be tolerated in a second class clerk, nay, not even in the third division? I understand that, at present, the work of reclassification of the salaries in the various departments is in full swing. The work is a serious and important one.

Let there be no haste, for once you have arrived at conclusions, there the matter will rest. And wrongs committed against certain classes of employees or certain officials, individually, will with great difficulty be redressed. On the other hand, I am aware that the government, which has already introduced reforms when the occasion demanded it, is anxious to deal fairly with everybody. That is the reason I ask that there should be no haste, that nothing should be done with full steam ahead, especially in such matters, because the government will naturally be forced to follow the recommendations made by its advisers, and it will necessarily shoulder all responsibilities, if I may express myself thus. The officials who will have prepared these lists will be cleared from all responsibilities towards the employees and the people. The scape-goat, as always, will be the government.

Now, Mr. Speaker, after having followed as closely as possible the line of argument which I had thought out, having been cautious to discuss the subject in a genial way, after having endeavoured to prove that it is more logical and fairer to be a bilinguist than to remain, in spite of everything, a man speaking but one language, may I ask you to glance over the situation existing outside the service; we may find there, perhaps, matter for edification. To-day, and ever since the war, nations that had isolated themselves within their boundaries, voluntarily or not, who only knew of other countries through what the press agents had allowed to leak out; in whose ears no sound unfamiliar to their surroundings ever penetrated, have now established commercial intercourse with people and corporations whose language previously was entirely unknown. Moreover, leaders of thought

paved the way. Statesmen who never dreamed that some day they might have to express themselves in a tongue foreign to theirs, were carried away by events and forced to study English or French, so as to be ready for all eventualities.

Let us now see what is taking place in commercial life, where is, to-day, the business house, the shop, or the agency, even the most humble one, that makes use of one language only? I do not believe there is one. Furthermore, business houses go to considerable expense in order to retain the services of competent translators, previous to scattering to the four winds of publicity their prospectuses, price lists and catalogues. And this outside practice is also adopted indoors, in offices and behind the counters. One realizes that it is a matter of justice, and the making of large fortunes.

Bearing witness to a few of these facts, are we not aware that at a meeting of the Liberal Association of East Toronto, last year, I think, Mr. A. E. Kirkpatrick stated that the Canadian business men, in general, would be in a better position, if, like the business men of the province of Quebec, they could speak both English and French. On all sides the necessity and importance of bilingualism is felt. Did not Sir George Foster himself state on the occasion of the "bonne entente" between the two races in this country, that the use of the two languages would be the infallible means of bringing the two races to know and appreciate one another better. Should we not also congratulate General J. H. MacBrien, Chief of the Canadian Military Staff, who stated, some months ago, that lieutenants in the Canadian army in order to receive promotion must be bilinguists. As it is seen, bilingualism imposes itself everywhere. These surveys of the commercial and political life are evidence of this. Would it therefore be logical to reject bilingualism in the administration of public affairs? I leave it to those who have listened to me, to examine the question and answer it, and I have no doubt that the answer will be in perfect accord with all that I have said in this honourable House.

I therefore venture to count on the sympathy of the House in favour of the resolution that I have the honour to move.

Mr. J. J. DENIS (Joliette): In opening my remarks, I wish to congratulate very heartily the hon. member for L'Assomption-Montcalm (Mr. Seguin) on the excellent speech which he has just made. If one would consider this matter with an unbiased and an open mind I think he would find that the resolution speaks for itself so clearly and eloquently that it need not be defended. There might be details which some hon. members would not be ready to accept, but I think the principle of the resolution is as solid as a rock in this country. I do not want to be called a nationalist, or to insist that every person must speak both languages or speak the French language. In dealing with this subject I have not in mind any particular race or any particular group; I am speaking only in the interests of Canada and in the public interest. I ask hon. members, is it not true that a public servant in this country who speaks both languages can render more efficient service? I do not refer to members of parliament or others in public life, but to those who are members of the civil service. Do hon. members not think that a man with a knowledge of both languages is in a better position to work in the public interest than the man who speaks only one language?

The soundness of the proposal involved in the resolution cannot be denied. One may like or dislike the fundamental principle of the resolution, but no one can deny the general proposition. Those who have lived in Ottawa for a few years and have had occasion to come in contact with the departments have found that in almost every department or branch the chief has two secretaries, one French and one English. Is that necessary? Who pays for that, if it is not the state? The state is paying two secretaries in many instances when only one should be employed. If this resolution were adopted it would mean that in every branch of a department one who could speak both languages would be employed rather than two, one for the English language and one for the French. We should have one employee, not French, not English, but bilingual. The resolution asks, therefore, that in all appointments candidates who understand both languages should have the preference. I submit that that is perfectly just and right. It is fair to the country that we should consider the public interest, and fair to the individual who has gone to the trouble of learning the two languages.

The resolution provides further that employees having a knowledge of both official languages should receive better remuneration. I suppose some people might object to that proposition. I would not commit myself to it, because it is a detail. The point to which I want to commit myself is that the bilingual employee should have the preference.

The resolution states also that the superiority of the employees possessing a knowledge of both languages should be considered in all

classifications. I think if we accept the first half of the resolution we accept also the last part of it, because the moment you adopt the principle that the preference is to be given to those who speak both languages, you admit their superiority. I do not argue that all should speak both languages, but I want to give my humble support to the eloquent speech made by my hon. friend, and to announce to the House and the country at large that I am supporting the proposition.

Mr. EDWARDS (Frontenac): It is my misfortune that I did not hear all that the hon. gentleman said, but following out the thought that he has just expressed, will he apply the same principle to the members of this House?

Mr. DENIS (Joliette): My hon. friend was not in the House when I said that I applied it to civil servants and not to members of the House.

Mr. EDWARDS (Frontenac): Why draw the line?

Mr. DENIS (Joliette): Because the civil servants are working in the public interest.

Mr. EDWARDS (Frontenac): That is a serious reflection on hon. members.

Mr. CHARLES B. HOWARD (Sherbrooke): Permit me to say a few words on the proposed resolution which has been placed on the order paper by the hon. member for L'Assomption-Montcalm (Mr. Seguin); first, because last session I had a similar resolution in mind but did not proceed with it, because of the extraordinary session we went through, and I did not want to add to the troubles which we already had and secondly, because I believe that in the best interests of Canada as a whole parliament should adopt this resolution.

I am pleased to follow the proposer of this resolution who with that ease of diction which the French language permits advanced arguments in favour of the adoption of his motion; I have to content myself with the use of the concise English tongue, which we usually regard as the language of business. Canada is recognized the world over as a bilingual country. This government, of which I have the honour to be a supporter, realized that fact only recently when it sent to the Imperial conference not only the Prime Minister but the hon. Minister of Justice whom the entire Dominion is proud to honour. The business and the financial world recognizes the superiority of bilingual employees. I know that one of our cabinet ministers is having his sons educated in both languages; in fact they can already speak in either medium so fluently that it is impossible to tell from which race they trace their descent. The county of Sherbrooke also recognizes bilingualism to a great extent. Its electors send me to represent them in this parliament, and a French-Canadian to represent them in the provincial legislature. Furthermore, the city of Sherbrooke elects alternately every two years as mayor an English-Canadian and a French-Canadian, and both are bilingual. Then, Mr. Speaker, how many times do we hear hon. members in this House refer to the great coalition government of Cartier and Macdonald, one of the strongest combinations that has ever governed the Dominion.

When I contemplate the hardships and dangers endured by the pioneers who came to this country from France and from England, Ireland and Scotland, and realize the great nation which they founded on this part of the North American continent, I bow my head in honour to them. What greater heroism do the pages of history contain than the gallant stand of Dollard and his companions who in 1660 saved New France from ruin. We cannot read that heroic episode without a thrill. And we all honour the memory of those brave priests of the Roman Catholic church who risked death, and worse than death, torture, at the hands of the Indians in their zeal to convert them to Christianity. We also honour those equally zealous Protestant preachers, who are now known to us as "horseback preachers" from the fact that they went through the country on horseback—there were no roads in those days—to spread the faith of their forefathers.

It is difficult, Mr. Speaker, to realize that the 50,000 or 60,000 French-Canadians whom France cut loose from in 1759 have in the intervening period, less than a couple of centuries, increased to such an extent that today there are two million of their descendants in the province of Quebec, about one and a half million scattered throughout the sister provinces and nearly two million in the United States. Naturally we think of those hardy ancestors with the very highest respect.

I am pleased to live in the province of Quebec under a school system which recognizes the rights of the minority, where English is taught as the secondary language in the French schools, and where French is taught as the secondary language in the English schools. Sherbrooke is an ideal county, but like every other section sometimes we encounter a few fanatics. I think however, we have the minimum of this class in our county. The other day I was talking to one of them and was astonished by a remark he made, a

remark, by the way, which proves the point I am trying to make. He said, "Charlie, I only wish I could speak French." That is an astounding statement from a person holding extreme views, but it simply goes to prove that bilingualism will be a distinct benefit to the whole Dominion. I remember that in my school days we were required to study, among other languages, German and Spanish. When we questioned the wisdom of this, realizing that we were never going to live either in Germany or Spain, we were told that those languages were included in the curriculum because the study of languages was one of the greatest mind-training agencies in the world. Not only have bilingualists an advantage over those of our people who are not familiar with the two official languages of Canada, but they are better equipped in understanding the other fellow's viewpoint. It is generally admitted that no translation, however true and complete it may be, can ever communicate to you the true feeling in the writer's heart; you can interpret him only by reading his works in the language in which they were written.

A few days ago an hon. member on the other side of the House stated he had been accused of lots of things in his time, but he did not want to be accused of speaking for the province of Quebec. Neither do I want to be accused of speaking for the province of Ontario, but I should like to say in all kindness and sincerity that the sooner the people in Ontario permit the study of French in their schools the sooner will there be a complete realization of the bonne entente spirit in this country. A certain newspaper in Ottawa not long ago gave me a very special advertisement in the form of a long critical editorial. I do not criticise the newspaper for doing so; I do not find any fault with the article nor do I blame anyone for that two-column editorial, but the fact remains that Ottawa is 225 miles away from my county and although I have many newspapers in my district not one of them made any such statements as were made in the Ottawa paper. Every word of that article was an absolute falsehood from beginning to end. No one can justly accuse me of being a fanatic on any particular matter.

Coming to this question of the civil service employees, according to circulars which I have received, they are asking for an increase in wages. I say frankly on the floor of this House that I do not consider myself able to judge whether that increase would be right or wrong, but in considering this increase I think other forms of labour should be taken into consideration as well. If the wages of the civil servants are found to be lower, in proportion, than are those of railway employees, farmers and labourers, the increase should be granted. But there is another point which I would like to deal with. I am absolutely opposed to a maximum salary in the civil service; I do not believe that in a young country such as Canada we should halt ambition and destroy initiative by placing a maximum on the salaries; if a man is worth an increase he should receive it.

In favouring this resolution I would not for one moment desire to work a hardship upon civil servants who were appointed years ago, and whose knowledge may be limited to one language or the other; I would not like to see them penalized, but I am strongly in favour of this resolution as it would affect those entering the service from now on. More than that, if hon. members representing the western provinces and western Ontario object to this resolution there may be some excuse, but I am absolutely convinced of the justice of the proposal as it applies to eastern Ontario, the province of Quebec and the maritime provinces. Our ancestors came from two great countries; the business interests of Canada admit that bilingualism is essential to good business; the financial interests recognize the fact that a bilingual employee is superior to one who has not that qualification, so why should not this government take the same stand in connection with civil service employees? I could go on as the hon. member for L'Assomption (Mr. Seguin) suggested, and quote extraordinarily striking cases where absolute injustice has been done through the fact that certain employees are not bilingual, in the province of Quebec and in my own county; but I do not desire to go into specific cases, and I only speak generally in support of the resolution.

There is just another point in passing. The next ten years will be recognized all over the world as Canada's decade. I am not too keen on reducing the national debt; I think that if we take our revenue and spend it in Canada to develop the country, to provide work for the immigrants who will come here during the next ten years and to bring back from the United States our own people who are anxious to come back in view of the present prosperity of Canada, we will be doing a great thing for Canada. Therefore with no further remarks I desire to place myself on record as being in favour of this resolution particularly as it would apply to eastern Ontario, Quebec and the maritime provinces.

Mr. DAVID SPENCE (Parkdale): I do not intend to take up more than a few moments of the time of the House, because I have only one or two observations to make. I am sorry that I do not understand French and that it was impossible for me to follow the hon. member who introduced this motion. I do hope, however, that he as well as those who are supporting him will not persist in putting it through. I think hon. members will agree that this will create more or less friction and will cause a great many difficulties, and the mover will be well advised to withdraw the motion. I do not propose to criticize the resolution at all, but we want peace in this House and in Canada.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): I desire to pass just a few remarks with regard to this resolution. Unfortunately I was not able to follow the speech of the hon. member who presented it; I think perhaps some of us who have no knowledge of the French language are penalized very frequently in this House because of our inability to speak that language. It is quite unnecessary, I think, to emphasize the need and value of language training. But whether or not one could follow the speech I think perhaps it is true, as one member has already suggested, that the resolution speaks for itself; and quite irrespective of the argument by which it might be supported we can judge more or less of the merits of the case by the terms of this resolution.

I would express myself as being rather regretful that this resolution has been introduced. The changes proposed are put on the ground of efficiency, but undoubtedly there will be an appeal to prejudice. For that reason I am sorry that any matter that is liable to divide the House and the country should be introduced when there is so slight a probability of it ever coming into effect. Undoubtedly a knowledge of the two official languages is in many positions of very great advantage. I should say that in the large majority of the positions in the civil service it must be of very great advantage to have a working knowledge both of English and of French. In other cases it has no particular advantage. Some of us learned a little French when we were boys, and simply because we had absolutely no opportunity of using that language the little knowledge that we had readily passed from us. There are many sections in this country where a knowledge of French is of practically no advantage whatever. If the matter is put on the basis of efficiency, and as I understand it that is the case for the resolution—that is that it would render the public service more efficient—then I would say that in many sections of this country other languages besides French should be given the preference. We have some 300,000 to 350,000 Ukrainians in this country.

Mr. CAMPBELL: Four hundred thousand.

Mr. WOODSWORTH: Four hundred thousand? Possibly the number has reached that figure.

Mr. LAVIGUEUR: Do I understand the hon. gentleman to state that some other languages might be more useful in sections of our country than the French language?

Mr. WOODSWORTH: Yes.

Mr. LAVIGUEUR: Would the hon. gentleman say what languages would be more useful?

Mr. WOODSWORTH: I was about to deal with that point. Perhaps the hon. gentleman has not understood me. I said that some other languages than French as a second language would be of advantage in this country—in some parts of this country if you like. I am equally prepared to say that there may be some sections in this country where the first language would be French and the second language would be some other language than English. There are somewhere between three and four hundred thousand Ukrainians, for instance, in this country, and if the matter is to be placed on the basis of efficiency I can quite readily understand that a great many officials who have to do with that large group of immigrants possibly ought to have a working knowledge of the Ukrainian language.

An hon. MEMBER: The Chinese language.

Mr. WOODSWORTH: There are other languages in the west besides the Ukrainian. There are the Scandinavian languages, there is the German language. Somebody suggests the Chinese language on the west coast. That is true. If we have to deal with the Chinese we ought to have officials on the west coast who have a thorough knowledge of both English and Chinese. I will go so far even with regard to an oriental language.

Mr. JACOBS: I hope the hon. gentleman will not overlook the Yiddish.

Mr. WOODSWORTH: If it were a case of an official in the Immigration department I should say that certainly it would be an advantage to have a knowledge of Yiddish. But the point I want to make in this connection, Mr. Speaker, is simply this: That un-

doubtedly the language qualification is an advantage in certain positions and those who have a knowledge of the second language ought to receive the preference in the making of an appointment. Some appointments, perhaps, ought not to be made unless the man had a knowledge of two languages. But I do not like the introduction of a principle which will always give the preference to the man with a knowledge of the two languages and afford him a large remuneration. I do not think that the introduction of that principle will tend to the furtherance of good will among the very many peoples that constitute the population of Canada to-day, and I would say that it would have to be put on an altogether different basis than that of mere efficiency. We have, for example, the case of the Speaker, who has been reëlected on several occasions because of his knowledge of both the English and the French languages. I personally approve of that choice. I think it is no small advantage to have in the chair here a man who speaks both English and French, and I for one will be quite glad to accord that exalted position to the one who is best qualified to fill it. I understand that something like eighty per cent of the pages in this House are French bilinguists. I do not object to that because I presume it is an advantage that a page should be able to speak, whenever a member calls him, in whatever language that member may employ. That is all right because there you have a question of efficiency well founded and those who obtained the preference obtained it by reason of that fact. That is one of the inevitable advantages of the one who speaks two languages under the conditions that exist in Ottawa. But in other parts of Canada where conditions do not prevail that may prevail here or in the province of Quebec—from which the three hon. members opposite who spoke in succession on this question come—but other conditions entirely, then I say it would be very foolish indeed of us to adopt a principle which, while possibly related to certain historical privileges, would not tend to efficiency and might do far more harm than good.

Mr. St. PERE: It is not a privilege, it is a right.

Mr. WOODSWORTH: I accept the correction. There are certain rights peculiar to the French language, but I do not believe that even the mover of this resolution would say that those rights necessarily involve any action along the line suggested by this resolution. It would seem to me that among the qualifications necessary for civil servants there are many others besides merely the knowledge of the French language, important as that is. There is, for example, a sense of fair play, there is a sense of what we call the actualities of the situation, there is a sense of proportion, and I would say that these qualities in a civil servant or a member of the House are equally important with the knowledge of a second language. I think perhaps I would venture to remind the mover of the resolution of those old lines from Shakespeare, which came to my mind as he was speaking:

> Vaulting ambition, which o'erleaps itself
> And falls on the other side.

There is no slight danger that we may overemphasize privileges or rights to the extent of antagonizing other people, and bringing about conditions under which it will be extremely difficult to retain those rights. The thought I had in mind when I first rose has already been expressed by the question from the hon. member for Frontenac-Addington (Mr. Edwards). I would suggest that if this principle is of value in the civil service, it ought to be more widely applied. I wonder what we should think if a resolution were introduced into the House in these terms:

> That the policy of the House should be to give preference to members of parliament knowing the two official languages;
>
> That members of parliament having a knowledge of both the official languages should, owing to their qualifications, be better remunerated, and the superiority of members of parliament possessing both languages should be considered in all appointments to office and to positions on commissions, on committees, or in the Senate.

Mr. POULIOT: Does the hon. member not make a distinction between members of parliament who are elected by the people and members of the civil service who are appointed by the Civil Service Commission?

Mr. WOODSWORTH: I fail to see why, if the principle is sound in the case of the civil service, it should not be given a wider application, and until I can be convinced of that, I feel I can not support a resolution of this character.

Mr. POULIOT: Does the hon. member think that the Ukrainian and Chinese languages have the same rights as the English and French languages in Canada?

Mr. WOODSWORTH: I do not suggest that in the slightest, and if the hon. member is really sincere in thinking that is my position, I am glad indeed that he has called the attention of the House to the point. If he will recall my argument, it was simply this, that this resolution bases itself, not upon historical rights, but rather upon effectiveness.

I was arguing the case on the basis of effectiveness, and I said that in certain cases it would be more desirable to have a knowledge of Chinese than to have a knowledge of French or of English, and that in such a case the appointment ought to be made because of the special qualification. If we are going to go back and introduce historical privileges and rights, we are on another basis altogether.

Mr. POULIOT: There should be a difference between constitutional and historical rights.

Mr. WOODSWORTH: I have not been discussing either of them; I have been endeavouring to follow the terms of the resolution.

Mr. H. C. HOCKEN (Toronto West Centre): Mr. Speaker, like seventy-five per cent of the members of the House, I was unable to follow the remarks of the hon. gentleman who introduced the resolution. I would have thought, if he desired to impress the House, he would have spoken in a language that we could all understand.

Mr. SEGUIN: I might ask the hon. member: Why does he not speak in French so that the French-speaking members may be able to understand him?

Mr. HOCKEN: There is just this difference. The hon. gentleman can speak in English; I cannot speak in French. I may repeat that if he desired to be understood by all the members of the House, he might have spoken in English. But evidently he did not desire to be understood by all the members of the House, and so he spoke in a language which only twenty-five per cent of the members could understand and follow. I have no doubt that this resolution is introduced for electoral purposes.

Mr. SEGUIN: Not at all.

Mr. HOCKEN: I do not think for a moment that it is expected that this resolution will pass this House. The Prime Minister is altogether too astute a politician to allow a motion of this kind to pass the House, and his Minister of Railways is equally astute. It is indeed pretty hard to apportion the ability in that regard between those two hon. gentlemen. But there is, I think, enough good, sound common sense on that side of the House to prevent a motion of this kind from passing, and particularly from being implemented by legislation. I do not think the party could stand that. But the resolution is really a discrimination against English-speaking applicants for positions in the civil service.

Mr. SEGUIN: Not at all.

Mr. HOCKEN: I repeat: It is a positive discrimination, and I will proceed to explain why it is so. To discriminate against people who can speak only English in this English-speaking country, this British country, is little short of an outrage. After all this is a part of the British Empire; everybody here is a British subject. The English speech is the speech of Canada.

Mr. SEGUIN: There are two official languages.

Mr. HOCKEN: The English language is the official language of Canada, with a few certain privileges to the French language.

Some hon. MEMBERS: Rights.

Mr. HOCKEN: Put it that way if you will —with a few narrow rights to the French language.

Mr. SEGUIN: They are on the same footing.

Mr. HOCKEN: To put every English-speaking man or woman desiring a position in the civil service under the handicap of being compelled to learn another language, would be an absolute injustice. The way in which it would work out would be most disastrous to those English-speaking applicants for positions. This resolution proposes to give the preference in future appointments to candidates knowing the two official languages. That, I presume, removes the preference that now exists for returned soldiers, and it puts them under a handicap instead of giving them the privilege which they now enjoy. If there is in Canada any class of men who should receive a preference in government employment, it is surely the men who hazarded their lives and went through all the miseries of the war in order to preserve civilization in the world. It is in recognition of that extraordinary service which they rendered that they get this privilege, but my hon. friend would remove it.

Mr. SEGUIN: If we were prepared to give returned soldiers the preference above all others, would the hon. member be ready to accept a motion like this?

Mr. HOCKEN: I would not give a preference of this kind at all. I would not say that a man must be compelled to speak the two languages even in the province of Quebec, for a civil service appointment. But we are not dealing with a French-speaking province; we are dealing with the Dominion of Canada, and it cannot be contended that our French-

speaking fellow citizens are not getting their share of civil service appointments. I think, on the other hand, if the government were brave enough to produce a return for which I asked at one time, it would be seen that the French-Canadians in this country to-day have very much more than their proportion of positions in the civil service.

Some hon. MEMBERS: Oh, no.

Mr. HOCKEN: Then let them get their Prime Minister to bring down the return. They will not do it. When I asked for it, I could not get it. I wanted to ascertain in one department after another how many were French and how many English. That information will not be supplied. If it were supplied, I think it would prove that the French applicants for office have not been discriminated against. On the contrary, they have been favoured, and very highly favoured, in the making of civil service appointments.

Mr. CASGRAIN: We are not favoured.

Mr. HOCKEN: I think that French applicants for positions are getting their fair share of appointments.

Mr. CASGRAIN: I do not think we have had it up to the present time.

Mr. HOCKEN: I think they have had more, and we have not protested seriously against that. But here is something that is entirely different. You are saying in effect that in the future nobody shall have a position in the civil service of Canada unless he speak the French language. Why, there are large sections of this country, probably eighty per cent of the territory of this country, in which you never hear the French language spoken at all. Are you going to insist upon knowledge of the two languages for positions in the city of Hamilton, or the city of Winnipeg, or the city of Vancouver? That is the effect of this resolution. I say that it would be impossible to get capable and efficient civil servants in these places if you insisted on this qualification, and that shows the absurdity of it. Not only that, but this resolution proposes that those who can speak both languages are to get ten, twenty or thirty per cent more salary than those who cannot. There is another very serious discrimination.

Mr. LAVIGUEUR: Why not?

Mr. HOCKEN: Why should they?

Mr. LAVIGUEUR: Because they know both languages.

Mr. HOCKEN: That is not enough. I will venture to say this, that man for man the English-speaking civil servants are as efficient, if not more so, as the French-speaking civil servants.

Some hon. MEMBERS: Oh, no.

Mr. HOCKEN: You go and talk to the deputy ministers. There is no charge of inefficiency against the English-speaking employees who are unable to speak French.

Mr. CASGRAIN: Sometimes there are complaints, but they do not want to recognize them.

Mr. HOCKEN: Of course, this supposed necessity for French in all the departments greatly increases the civil service staff, as the hon. member for Sherbrooke (Mr. Howard) says. It makes many a place for a translator or some clerk to write a letter once or twice a week, or something of that kind, and that inures greatly to the advantage of those who are of French origin. There has not been any complaint about that so far as this side of the House is concerned, and so far as the English-speaking people of Canada are concerned there has been no complaint, or very little complaint, at all the extensions and pressing forward and advancement of the French language to bring it up to a parity in every relation of life with the English language. It is not on that parity according to the rights that were given to it at confederation.

They talk about members of the civil service being more efficient if they can speak both languages. I think the point raised by the hon. member for Frontenac-Addington (Mr. Edwards) is quite pertinent. Why should not the members of parliament be required to speak the two languages? We had a case in 1917, Mr. Speaker, when on the Union side of the House there was only one French-Canadian, and he refused to act as deputy speaker. An effort was then made to find some other man among us—and we then comprised two-thirds of the House—who could follow a debate in French, but it was impossible to find a man on the government side of the House who could do so, and so they had to take for Deputy Speaker a member from the opposition side of the House. On our side of the House at that time there were at least one hundred men who had gone through the universities, had studied French, passed their examinations, taken their diplomas, and all the rest of it, but after they had left college they had not been able to keep up their French, and consequently when the time came some years afterwards when it would have been of advantage to them to speak French, and be able to follow a French

debate, they were unable to do it. A man in any other province than Quebec, unless it be in some of the colonies, though he studies French in the university and takes his diploma, cannot keep up a speaking knowledge of the French except by attending a night school or something of that kind.

Mr. POULIOT: Or by reading the Orange Sentinel.

Mr. HOCKEN: It would not do my hon. friend any harm to read it. It would give him some light, and he would read some of the truth that he does not read down in the province of Quebec. What I am pointing out, Mr. Speaker, is that it is impossible for people living in the English-speaking provinces to retain facility in the speaking of the French language. Any young man leaving the university and beginning his profession would have to spend two or three afternoons or nights a week studying French if he wanted to keep it up. That is impossible, and the result is that he never uses French, and all the French he learned at the university is lost. It is not that we do not speak French in the other provinces. In all the high schools, collegiate institutes, and secondary schools in the province of Ontario, French is an obligatory subject. All the children learn it, but they never acquire facility in speaking the language because they never hear it.

The situation in Quebec is entirely different. The French people in Quebec can speak English because they hear it on every hand. As a matter of fact, if they want to engage in the higher grades of employment, they have to speak English. Their parents recognize that, and they have the facilities for acquiring a speaking knowledge of the English language that we have not got in regard to French in the other provinces. That was the whole trouble about regulation 17. That good Irish friend, Michael Fallon, the Bishop of London, supported regulation 17 for one reason. He said: "I am not satisfied to see the children of my diocese fit only to drive a wagon, or a motor car, or a team, or engage in some of the lower classes of employment. I want my flock to be the equal of the flock of the other churches." That is the reason why he was strongly in favour of regulation 17, because it compels his children to learn English. They were not learning English before, and they could not speak it, and that was a great detriment to them living in an English-speaking community both on this side of the border and on the other. He was acting entirely in their own material interests when he insisted upon regulation 17, which was a great concession to the French language.

Mr. CASGRAIN: Thank you.

Mr. HOCKEN: It was a great concession, Mr. Speaker, and I do not think it would be hard to prove that. I could explain to my hon. friend what he no doubt knows, that under the constitution of this country no Frenchman in the province of Ontario has any right to have his language taught in any school. It is well within the power of the Ontario legislature to wipe the French language out of the primary schools absolutely, and there could be no dispute about it. Senator Belcourt has given a reasoned decision on that point. But we did not go that far. The legislature of the province, under Sir James Whitney, wanted to consider the sensitiveness of the French, as Sir James said, and so he put that regulation into effect, which gives to every French child in the province of Ontario ample opportunity to learn his own language.

Mr. BRADETTE: Was not the Ontario government aware, when it enacted regulation 17, that English was being properly taught in the bilingual schools of the province?

Mr. HOCKEN: My hon. friend differs from Doctor Merchant, who was the commissioner appointed by the Ontario government to examine into the French-English schools. He reported that in 267 primary schools of Ontario English was not being taught efficiently. That was the reason why regulation 17 was enacted. There were teachers in the schools who could not speak English, and they were supposed to be teaching both English and French. Doctor Merchant, I think, may be accepted not only as a great educationalist but as a man of high character, as a man who was anxious to deal with that thorny question from a pedagogical standpoint, and his advice was accepted by the late Sir James Whitney, who could not be called hostile to the French. He was the first premier of Ontario who ever had a French-Canadian in his cabinet and he thought when he put regulation 17 into effect that he was going to have peace and harmony in eastern Ontario, northern Ontario, and in Kent and Essex. It was a genuine desire to promote peace, but instead of promoting peace it stirred up the fiercest controversy we have ever had in this country, and that controversy was stirred up because the man whose duty it was to inform the people as to the real substance and character and legislation not only refused to do so, but misrepresented all through the province of Quebec for their own ad-

vantage, not only the provincial leader, but actually the legislature of the province of Quebec—

Mr. BOURASSA: I do not like to interrupt any hon. member when he is making a speech in the chamber, but I understood we were discussing a motion with regard to the civil service of the federal government. I cannot in any way, directly or indirectly, see how it can be connected with a certain piece of legislation enacted by the province of Ontario, called regulation 17. Without a complete transformation of the question before the House, and a departure from debate, I do not see how the question can be discussed under this resolution.

Mr. HOCKEN: The fact that my hon. friend does not see that my remarks are pertinent is no evidence that they are not pertinent. I submit I am touching the very heart of the question of the resolution.

Mr. BOURASSA: I rise to a point of order, and I want a ruling from the chair. In connection with a motion of the nature of the resolution which is now before the House, is it permissible to discuss regulation 17 of Ontario, or any other piece of provincial legislation?

Mr. HOCKEN: We are dealing with a question which requires a knowledge of English and French and I am trying to point out to this House that in the province of Ontario we did everything to give the children opportunities to acquire the knowledge of both languages. I think that is quite pertinent to the subject.

The ACTING SPEAKER (Mr. Marcil): The rule applicable in this case is rule 19, which reads:

> No member shall speak disrespectfully of His Majesty nor of any of the royal family; nor of the governor or person administering the government of Canada; nor use offensive words against either House, or against any member thereof; nor speak beside the question in debate.

In practice in my experience, certain latitude has been allowed in debate in the House by way of illustration, but in discussing questions of this kind the rule of relevancy must apply, and the hon. member addressing the chair must speak to the question before the House.

Mr. HOCKEN: I did not intend to say anything more on that point anyway. I think I have put the matter clearly before the House. Parliament is asked by this resolution to force English-speaking people who wish to obtain a position in the civil service—which many young men and women in this country think very desirable—to learn the French language. I do not think there is any escape from that. The idea is to put up some ten or twenty or thirty thousand positions paid for by the general taxpayers of Canada, and to say to those who want to get one of those positions, "You cannot get such a position unless you can speak the French language." I have never suggested anywhere that any barrier should be put in the way of people learning or speaking the French language, but I certainly think it would be most unfair to exclude from the civil service anybody who could not speak the French language. There are some positions no doubt, especially in the province of Quebec, where a knowledge of French and of English is desirable. They are all filled by men who can speak both languages now—at least they can speak the French language—but why this House should be asked to handicap every possible English-speaking applicant for Dominion civil service positions is absolutely beyond my comprehension, and I do not think it would be accepted by people generally for one moment. It seems to me there would be very great objection to it.

Another side of the question was touched upon by my hon. friend from Winnipeg North Centre (Mr. Woodsworth). The British race are not amenable to coercion of any kind, and anything that has that appearance will be resisted and resented by the people of that race; so that when an attempt is made as in this case, to say to the English-speaking people of Canada, "You must learn the language of Quebec or you cannot get a job in the civil service of Canada," that is a form of coercion, and I think you will find that it will react on the public sentiment of the whole Dominion against Quebec and the French language and the French race. I think it is an exceedingly short-sighted thing to attempt, and that is why I had the idea ever since I saw it on the order paper that it never was intended to be discussed. I was surprised to see it introduced; I thought my hon. friend would have been satisfied to put it on the order paper and send copies to his constituents and let it be seen what a brave and bold man he was; but he evidently is a little more serious than that.

I do not think it can be contended that the civil service of Canada should be made the preserve for any one race. I do not think Ukrainians should be excluded. I do not think the Yidds should be excluded, or the English, but the effect would be to exclude the English and keep the civil service as a

preserve for those who speak French and are French. If my hon. friend will see the reasonableness of that statement I think we can persuade him to withdraw the resolution. He surely cannot defend such a situation as is presented.

I am prepared to admit, Mr. Speaker, that the French people learn English much more easily than the English learn French.

An hon. MEMBER: Why?

Mr. HOCKEN: There are two reasons, one of which I have already stated. In Quebec English is spoken practically everywhere. There are some back parishes where you do not hear it spoken, but the parents of Quebec want their children to learn English,—

An hon. MEMBER: No, no.

Mr. HOCKEN: —because it is greatly to their material advantage.

An hon. MEMBER: Preach that gospel in Ontario.

Mr. HOCKEN: Did I not tell my hon. friend that all our children learn French, but have not the facilities to keep it up? We cannot get the correct pronunciation without attending school for a very long period. Another reason is this: whether we like it or not, one of the weaknesses of the English people is that they are not facile linguists. The French learn another language much more easily than the English; and it being difficult for the ordinary English person to acquire another language, he does not attempt it. The average English-speaking Canadian would have to study much longer to master French than the average French-speaking Canadian would have to devote to master English. That is one of the differences of the two races. This racial difference crops out in many other characteristics, Mr. Speaker, but it is not necessary for me to enter into them at the present moment.

I am not going to indulge in a prolonged controversy, Mr. Speaker, but my hon. friend from Sherbrooke said that this is a bilingual country. It is not so by any interpretation of the constitution. I would suppose that every member had read the British North America Act and knew exactly what rights the French language has in this Dominion. It is enjoying rights to-day which are much more extensive than those accorded it by the British North America Act. To remind hon. members, let me read section 133, which is the only provision in our constitution for the official use of the French language in the Dominion:

> Either the English or the French lagnuage may be used by any person in the debates of the Houses of the parliament of Canada and of the Houses of the legislature of Quebec; and both those languages shall be used in the respective records and journals of those Houses; and either of those languages may be used by any person or in any pleading or process in or issuing from any court of Canada established under this act, and in or from all or any of the courts of Quebec.
>
> The acts of the parliament of Canada and of the legislature of Quebec shall be printed and published in both those languages.

Mr. POULIOT: Does my hon. friend think that that section is right or wrong?

Mr. HOCKEN: I say to my hon. friend, these are the rights that the late Sir George Cartier solemnly agreed to. All the representatives of the French race at the time of confederation put their signature to this. It is the sum total of the rights of the French language in the Dominion of Canada. So it must be plain to any person who understands English that this is not a bilingual country. So far as I know there has never been a suggestion from any source that one tittle of these rights should be abrogated. The rest of Canada has loyally observed this section of the act. But the French language is used now in a hundred different places for which there is no constitutional warrant.

An hon. MEMBER: Where?

Mr. HOCKEN: You will find it on every door in this building. It is used in the post office. It is used on postal and money orders. It is used on the railways.

An hon. MEMBER: And in official documents.

Mr. HOCKEN: It is used in many places, Mr. Speaker. I am simply pointing out to my hon. friend what rights his language has. I am not discussing whether this section went far enough or not. I am saying that this is what is provided by the British North America Act, which was agreed to by Sir George Cartier, Sir Hector Langevin, Chapleau, and the other representatives of the French-Canadians of that time. If any more had been asked by them there would not have been any confederation. It was hard enough to get George Brown to agree to these privileges for the French language. So it cannot be said that in opposing a resolution of this kind any member of this House is showing hostility to the French language or to French rights. We contend that this proposal is an attack upon the rights of the English-speaking people of Canada, an attack on the rights of every English-speaking young man and young woman, for it forces them either to learn French or to keep out of

the civil service. If they submit to this encroachment on their rights, why, they are to get extra remuneration.

Let me point out something else, Mr. Speaker. Suppose there are several applicants for a vacancy in the civil service, some of English, some of French, descent. They would be examined either by an English examiner or by a French examiner, and there would be a very marked tendency on the part of either to say that this one could not speak French properly or that that one could not speak English properly. There would be all kinds of disputes, and heartburnings, and controversies, and appeals to the ministers. As my hon. friend knows, I am not enamoured of our Civil Service Act, but at least it secures to the civil service a reasonably fair deal and a certain security of position. If that is to be abandoned and anything like this proposal substituted, then you are going to have the civil service degenerate to a point which it has not reached yet, and which I hope it never will.

I do not think that my hon. friend was exhibiting that boasted generosity to the minority, which we hear so much about from the province of Quebec. There is no spirit of generosity towards the English-speaking applicant for a civil service position in such a resolution as this. Mind you, Mr. Speaker —and I hope I am not offending, I am trying to state the case fairly and moderately— I should like to see these two races in a much greater state of harmony. And there is a way to achieve this. I have suggested before, and I repeat it to-day, that if the leaders of our fellow Canadians in the province of Quebec—and I suppose hon. gentlemen opposite may be regarded as some of those leaders— if they would live up to the British North America Act as closely as the people of Ontario have lived up to it there would be no necessity to organize a bonne entente; there always would have been a bonne entente. Not a man in Ontario wants to break the British North America Act in any particular. The whole trouble is that our friends in Quebec will not observe the act. Ontario and the other provinces are not aggressive against their sister province of Quebec. It is that certain leaders in Quebec are aggressive against the other provinces, and will not observe the conditions of the act of confederation.

I do not think, Mr. Speaker, that even those members of the House who are French would expect us to accept a motion of this kind; I think the hon. member who introduced it would have been very much surprised had I not said anything about it, as I regard it as a very grave injustice to the people I represent. If I did not protest against it, therefore, I would not be doing my duty. I say again that here is the charter of our liberty; here is the document framed by Cartier, Brown, Macdonald and the others, and if the people of Canada both French and English will live closely to that and adhere to it in every particular there will be no friction existing between the two races in Canada. But so long as there is a demand made for extra-constitutional rights and privileges it must be expected that these will meet with resistance, and as the hon. member for Winnipeg North Centre (Mr. Woodsworth) said, the further they are pressed the stronger will be the resistance and the greater will be the ultimate danger to those rights now enjoyed by the French people with the full consent and to the perfect satisfaction of all the other provinces.

Mr. HENRI BOURASSA (Labelle): It seems to me, Mr. Speaker, that we had better remain within the scope of this resolution and judge it on its merits. Naturally I will not take up the argument of my hon. friend with regard to regulation 17, because it was only through the indulgence of you, Mr. Speaker, that that was brought up. I simply desire to say to members of this House who respect the rules of debate that they need not expect me to touch upon that matter, although of course I do not accept the views of the hon. gentleman in that connection.

With regard to the motion just now before us, it seems to me that we must consider at once both its principle and application, as in any other proposed enactment. The principle, as I see it, is the assertion of a right connected with the constitution of the country. The hon. gentleman who has just taken his seat read article 133 of the constitution. I suppose in the reading of legislation, as in the reading of Holy Script, there are such things as the spirit and the letter. I will not oppose the view of any French-Canadian to that of the hon. gentleman with regard to the interpretation of our constitution, but rather will I give him the word of a man whose opinion still stands, I think, in the minds of a large number of Canadians, not exclusively Conservatives, as the one man who better understood and to a large extent better applied the spirit of confederation. I refer to Sir John A. Macdonald. Twenty-four years after this piece of legislation was enacted in London as giving effect to the will of the people of Canada, he made a declaration in the parliament of this country in regard to the status of both languages. The hon. gentle-

man has just said that there has never been an attempt made by any one outside of Quebec to do away with those rights enjoyed by French-Canadians under the constitution. Evidently his memory is short, because in those days there was a very strong attempt made to altogether do away with the use of the French language in the federal service. That campaign was conducted by Mr. Dalton McCarthy; in provincial affairs it was carried on by Hon. Mr. Meredith, and was also supported, I believe, by the organizations with which the hon. gentleman is connected. Exactly the same arguments were then made as were brought up by the hon. gentleman this afternoon: "This is an English country; Canada has been conquered by Great Britain and therefore must conform to the principles of English government. The English language should be the sole language of this country as well as of the British empire." Sir John A. Macdonald did not go beyond the boundaries of Canada and did not deal with the whole empire, its ethnical composition or historical development; he contented himself with the statement which I am about to repeat. I have not the book with me but it can be easily found, and I think I know the words almost by heart. He said, "Whether this country was conquered or ceded is à propos de rien", using himself the French words. "Under our present constitution both races", and by that he meant English-speaking and French-speaking Canadians, "enjoy exactly the same rights in matters of religion, in matters of language, in matters of civil and political rights as well as personal rights, and therefore the two races stand on a footing of equality." That was the spirit of the law. Sir John A. Macdonald had helped to frame the letter of the law, but he had kept also the spirit which had permitted the enactment of confederation. In those days it was not thought necessary to state in so many paragraphs of the constitution that a natural right which had been enjoyed for three centuries by the founders of the country, the pioneers of Canada, those who made it possible for England to keep Canada a British country, should be continued and should not be curtailed by a narrow interpretation of the text of the law by narrow-minded individuals. Therefore the spirit of confederation, the spirit of amity and good will which made confederation possible was preserved, although they did not recite those rights of nature, those rights of the spiritual soul of a nation, in so many articles of law. They did not expect that a time would come when groups or individuals claiming to be their political heirs would narrow it down to such a measure that, because the right of a national language is acknowledged only in one single article, you must not see that it is kept alive in the political activities of the nation.

In all civilized countries and by all civilized beings, Canada is considered to be a bilingual country, without question. It is a rest for me every time I go to London—and I go frequently—to get away from colonial narrow-mindedness and to see how the leaders of thought in England realize how far the British empire is from being an English-speaking community. What an absurd thing! The English race represents only about ten per cent of the population of the British empire. The English language is the one official language of only a very small portion of that empire. I do not know whether or not the hon. member is aware of the fact, but it is a fact that the French language was the only official language of England for about three centuries. Under the Edwards, the English language took form, became the language of society and finally the language of parliament, but not by enactment of law till the time of Elizabeth, if I remember rightly. The English language was first enforced upon Wales by a statute of the British parliament; I think it is the only portion of the British Empire in which that was done, except for a short time in Canada after the rebellion of 1837, when an act of the British parliament imposed the English language as the sole language of Canada. But the English, coming back to their best senses and their best traditions, repealed that act before ten years had elapsed. The Boer language is the official language of South Africa as well as English; the Irish language is to-day the official language of the Irish Free State with English as a secondary language, just as French is in Canada; but thank heavens! the men who rule Ireland, after five centuries of struggle against subjection, are broad enough to give to the English minority in Ireland a position which will never be disputed and to permit them to enjoy not only the use of their own language, but the other civil and political privileges or natural rights for which the French Canadians have still to fight in effect, owing to the narrow spirit which prevails in some quarters of Canada.

Now to consider whether this motion is opportune or not, we have to take the facts as they are. The hon. gentleman who preceded me himself admits that in the province of Quebec the use of French is necessary in the conduct of public affairs or in the administration of public departments. My hon. friend calls it a French province. I object to that statement, Sir. The province of Quebec is

not a French province, and the reason why the provincial spirit is still being kept up in that province is precisely that attitude of mind on the part of a certain number of English Canadians who consider Quebec as apart from confederation, just as, for example, some Indian reserves are kept apart for the preservation of the remnants of our aboriginal races. The province of Quebec is one of the nine Canadian provinces. The vast majority of its people speak French, but they grant to the English minority the right to speak English freely, and they accord to them in the local administrations, municipal or provincial, which are entirely under our control, those facilities which we ask in federal affairs, not merely as a matter of right—I would never put the question on that narrow basis —but as a matter of common sense and true Canadian spirit, so as to spread out into every province of Canada the same spirit of Canadian citizenship which exists in Quebec and should exist everywhere in this Dominion.

This is not, in my view, a matter of sentiment, but of adhering to the principle of confederation, to the terms and spirit of the alliance between the two races who made confederation possible, the founders of the country and the newcomers who came later on and who, after a century of more or less struggle, agreed to bury the hatchet. I come back to the example of the Irish Free State. The descendants of the inhabitants in the English pale, who for centuries had thought that there was no possible destiny for Ireland until the Irish people had consented to become English, finding out that that was not possible, made up their minds to become Irish in their turn and thus have made possible the successful government of that country. We did that sixty years ago. Are we going to exemplify it in the ordinary activities of the state? This, after all, is the question. It simply means that we are willing to show to the people of this country and to the outsiders who come in—whether they stay with us or traverse our country and learn some of its lessons—that Canada is a different country from the United States. That is the main issue. It is somewhat surprising that certain groups of men who stand as the upholders of everything British are bent on Yankeefying this country as much and as fast as they can. They want to impose on us the Yankee system of education. They want to make of Canada—by language, by habit, by custom and by political administration—a weak and mean replica of the American republic. Well, I have more pride than that, either as a French Canadian, as a Canadian pure and simple, or as a Britisher.

[Mr. Bourassa.]

I want Canada to be different from the United States. And how are you going to keep it different? Not merely by proclaiming the king the head of the state. No, the whole of history has proven that emblems of sovereignty and systems of government are not sufficient to keep up the spirit of a nation. It is not by proclaiming in so many articles of law that we acknowledge ourselves British; it is still less by developing in the minds of one-fourth of the population of this country—the pioneers of the land, the only element in Canada which is absolutely and exclusively Canadian, and has been such for centuries—the notion that outside their "Reserve" of Quebec there is no place for them, unless they abide by the will, and the habits, and the language of the majority.

Now, in the public service, I do not hold, as a matter of practice, that every civil servant should be obliged to speak French. No, that would be absurd, and I am sure such an idea does not find a place in the mind of the hon. gentleman who moved the resolution. In that respect, his resolution can be somewhat changed in its wording. But let us take the spirit of it. It means that in this country, first as a matter of historical development, second as a broad interpretation of the constitution of the country, third, taking into account the country's present ethnological position, and fourth having in view the necessity of preserving all the mental, moral and social barriers which we can oppose to the penetration of Americanism, we must make this country bilingual as much as we can in order to preserve it as a country different from the American republic. That has always been the main object we had in view in the province of Quebec by demanding—if the hon. gentleman wants me to use that word—by demanding a greater recognition of French all through the country. My hon. friend can take my word for it, that not only when I have spoken before English-speaking audiences, but every time I have spoken on this question in my native province, when there were none but French people to listen to me, my main argument has always been this: It is not as Frenchmen that we should claim a proper place for the French language, and its official expression in all the activities of the state, it is not a mere narrow racial privilege that we ask, but a broad Canadian right, anxious as we are for the preservation of the Canadian soul, a composite one, in constant need of all the good elements and all the contributions which all races can give, but more especially the two main races that have created it.

Now with regard to the argument made by my excellent friend from Winnipeg North Centre (Mr. Woodsworth), of course the hon. gentleman is right in a way, and the resolution, as I read it, and would interpret it if I were a minister of the crown, would certainly include the possibility of putting at the disposal of any group of individuals all through the land public servants capable of understanding them. There must be a recognition of the situation to which the hon. member (Mr. Woodsworth) alluded. For example, in the United States they have grown wonderfully in that respect in the last twenty-five years. You can go into the Interior department, especially the Immigration branch, or into the large post offices of the United States, and there you will find expert linguists who will interpret almost any language of the world. They do it for the efficiency of their administration, but they do not acknowledge thereby that the Spanish, or the Yiddish, or the Portuguese, or the Chinese, are recognized official languages in the United States. Here we put the question on this basis: English and French are the two official languages of Canada. That cannot be denied, they are official languages. Some people may consider that one has more right than the other. In the minds of the men who made the constitution, and in my mind, they have equal rights. That is a question of degree which opens a fair door to debate. But French and English are undoubtedly the two official languages of the country, and that fact ought to be acknowledged in practice.

As regards the argument of economy, made by the hon. member for Joliette (Mr. Denis), I have frequented departments of state in this country for thirty years, either as a member of parliament or as a ratepayer, and I have found out exactly the same thing which the hon. gentleman has described, namely, that in many instances there are twenty employees where fifteen would do because such a large proportion of them, being incapable of responding to the needs of the French-speaking ratepayers or people who have to deal with the government, unable to answer them in their language, the service has to be duplicated.

Of course, a policy like this would have to be applied gradually and with common sense. It would not mean the exclusion of all employees who speak only English. It would not mean that possession of the two languages would be the sole or even the principal qualification. I would put the matter in this way: the first qualification for a public servant is honesty; the second is efficiency, expert competency; and the third, is the capability of dealing directly with the people of this country who have a right to be understood in their own language. It seems to me that is fair. The hon. gentleman says that there is no impediment of that kind in the province of Quebec. I can tell him that I myself have gone to the Montreal customs house and, just to find out, inquiring from one wicket to another of the customs, I have had to pass a good many before being able to get an employee who understood a word of French. In the largest French city in the world after Paris and Marseilles, the third largest French city in the world, I have myself been told by a customs officer in the Montreal post office, when I asked in French for some information—he answered me not in English, but in the American slang which is rapidly taking the place of English in this loyal British country—"Can't you talk English? Don't you know this is an English country?" I said, "Yes, sir, I can mumble a few words of English. I think I know English a little better than you do because it is the king's English I endeavour to speak; but I have a right to be understood in French." He said, "It ain't your right. Don't talk nonsense." That is the way I was answered in a public office in the city of Montreal.

Mr. HOCKEN: The hon. member would not receive such treatment in Toronto.

Mr. BOURASSA: Quite so. But reverse the situation. Supposing two-thirds of the federal employees in Toronto were unable to speak in English sufficiently to meet the requirements of the population of that city, would the hon. gentleman say that the efficiency of those employees is not greatly curtailed by the fact that they do not speak the language of the population with whom they have to deal? I repeat: all these things have to be taken, first, from a broad point of view of principle and, second, from the point of view of practical application. We should adopt the motion of the hon. member for L'Assomption-Montcalm (Mr. Séguin) in that spirit, not with the idea that every minister should immediately set to work to put aside all those employees who speak nothing but English, but with the idea of opening the eyes and the minds of the present servants of the country, and of aspirants to the public service, in order to make them realize that French Canada is not a detached portion of this Dominion, that French Canada, or rather Canada, French in its origin, but thoroughly Canadian, is not to be kept solely and absolutely in the province of Quebec. That you

cannot do; I cannot do it, nobody can—until the French-Canadians have learned that new form of American civilization, which unfortunately is spreading out in some of the English provinces, that the future of Canada is to be assured by the development of such families as are composed of a man, a woman and a pet dog. So long as the French-Canadians, thanks to that obnoxious, domineering church, and that horrible hierarchy which is so much denounced by the hon. gentleman, keep to the habit of giving to the church and state all the good children they can give, you cannot prevent the expansion of the French-Canadian. Are you going to receive them in Ontario and elsewhere as brothers, as fellow citizens, or as foreigners, as intruders? Are you going to receive them in this way, for example: some people wrote me last year from Manitoba—or Saskatchewan—that while they had been invited to go out and take up sections in the west, not being understood by the land agent of the Interior department of this government, they had to write to Ottawa to get a translation of their letter to the agent and a translation of the agent's letter to them, so that it took fifteen days for them to understand from the local agent of the Department of the Interior of this Dominion under what conditions they held their title, and so forth?

If you want to kill what remains in Quebec, though less than in the other provinces, of that sectional, provincial spirit; if you do not want to revive the spirit which existed before confederation; if you want the French-Canadians to feel as much at home in Ontario as in Quebec, you must deal with them as you would like to be dealt with. Supposing this country had been settled by the English and conquered by the French, a foreign power; supposing that French laws had been imposed upon you and that gradually, after a century of trouble, you had come to terms with a French majority. Endeavour to look upon questions of this nature from that point of view, inspired with the spirit of amity, of fair play, but especially of Canadian citizenship. Develop in the minds of all Canadians the idea that there must be concessions right and left, that there must be give and take, and that all the elements, but especially the two main elements of this country must put firmly, strongly, on the body of the Canadian nation the stamp of their peculiar genius; because the grandeur of Canada, if it can exist and develop by itself independently, I will not say separately or in enmity, but independently from the tremendous influences of the United States, will be in the measure in which will be preserved all through Canada that spirit of coöperation between French and English, in the measure in which you allow the French-Canadians and their descendants to imbibe some of your spirit, and you take some of theirs, although that may be regrettable from your point of view. Of course, at times, it would be more agreeable for us to live in a country where we would be all by ourselves, where we could enjoy fully our own institutions, speak nothing but our language, and learn a foreign language just for the pleasure of doing so. We have, however, come to realize that there is a direct benefit to us in getting from you what we lack; but more than that, we consider it is our primary duty as Canadian citizens to make it possible that the two races coöperate with each other to the grandeur and the strength of Canadian civilization. In the spirit of this resolution is to be found one method by which the government and the parliament of Canada can help us out in broadening that national spirit and making it a true Canadian spirit such as it was conceived by Macdonald and maintained as long as Macdonald lived.

Hon. J. W. EDWARDS (Frontenac-Addington): Mr. Speaker, no person will deny for a moment that from a cultural standpoint two languages are better than one and three are better than two. The hon. member (Mr. Bourassa) said: This brings up not only a principle but the application of a principle. This resolution proposes to give preference in future appointments to Canadians knowing the two official languages. Such a resolution it is impossible for this House to accept. This House cannot put itself on record as being in accord with a resolution of that kind because by doing so we would place the English language in an inferior position to the French language in the Dominion of Canada, and it would be so regarded outside of Canada all over the world. There can be no question at all about that.

From the standpoint of efficiency, I presume that in conducting the affairs of this country, the various departments will take into consideration, when persons apply for a position, not only the French language but other languages that may dominate in that particular portion of Canada where the official is to act. It is quite conceivable to me that in certain parts of the northwest where you would have a strong German settlement, for instance, or a strong Polish settlement, it would be advisable in sending an official there to give preference among those applying for the position to the person who had a knowledge not only of the English language but of the language used in that particular locality.

That, I presume, is being done now. I am sure it is being done now, and that preference is being given, in order that the affairs of the country may be the better administered, to the French language in many parts of the country. I think we may depend very well upon the various departments to handle that matter from that point of view, and to consider the qualifications of those applying for a position, having regard to the place where the appointee is to act, and to give preference to those who can speak the kind of language or languages that are spoken there. I believe that is being done now to a very large extent. I believe it should be done in the interests of good service to the country.

But, Sir, while I think we may very well depend upon the various deputies to administer their departments along that line, that is a very different thing from passing a law saying that those people in this country who possess a knowledge of the French language as well as of the English language must and shall be given a preference over all others. That is something, I say, which this government and no other government dare place on the statute books of this country.

In regard to giving additional remuneration to such people, that argument might just as well apply to the members of this House, and a French member might demand that he be given an extra indemnity because he was able to speak fluently in French as well as in English. The thing is ridiculous. You might carry out that same principle with regard to the employees of the Canadian National Railways. The railways are owned by the country, and although its employees are not listed as civil servants, they are in a sense civil servants. Would you apply the same principle there and let it be known throughout the world that in this Dominion of Canada, a supposedly British country, employees not only of the civil service at Ottawa, but also of the Canadian National Railways, if they speak French shall be given a preference every time over a man who understands the English language only? I say that is something which it would be impossible to apply.

I am not going to attempt to take up regulation 17.

Some hon. MEMBERS: Six o'clock.

Mr. EDWARDS (Frontenac): I am watching the clock, and the Speaker is in the chair. My hon. friend from Labelle (Mr. Bourassa) criticised the hon. member for Toronto West Centre (Mr. Hocken) because in his judgment he was out of order in referring to regulation 17. With all due deference to the hon. member for Labelle, I thought very many times when he was going back sixty and a hundred and two hundred and three hundred and four hundred and five hundred years into history, as he always does in making a speech in this House, no matter what the subject is, that he was further out of order than the hon. member for Toronto West Centre.

Just before I move that this debate be adjourned, I want to say this: There is no desire in this country to treat those of the French race and French language harshly. For my part, I am free to say that I would like to see the English language the distinctive mark of our common citizenship in this Dominion of Canada. I say that that is something I would like to see, that all the races coming here would regard the English language as the distinctive mark of our common citizenship here in Canada.

I want to add, before moving the adjournment of the debate, this further word. I want to impress on the minds of hon. gentlemen opposite, and on no person more than on the hon. member for Labelle that, whatever he desires for the French language, the English language cannot and shall not and will not be ostracised or outlawed in any part of the Dominion of Canada.

At six o'clock the House adjourned, without question being put, pursuant to rule.

Thursday, March 3, 1927

The House met at three o'clock.

MONTREAL, OTTAWA AND GEORGIAN BAY CANAL COMPANY

Hon. ERNEST LAPOINTE (Minister of Justice): My hon. friend the hon. member for Argenteuil (Sir George Perley) the other day asked for the tabling of a certain letter sent by the Deputy Minister of Justice to the Deputy Minister of Public Works on January 17, 1925. I now lay it on the table.

WAR CHARITIES ACT

Hon. FERNAND RINFRET (Secretary of State) moved for leave to introduce Bill No. 114, to repeal the War Charities Act, 1917.

Some hon. MEMBERS: Explain.

Mr. RINFRET: In 1917 an act was passed to regulate appeals for donations or subscriptions for the relief of persons suffering as a result of the war, and particularly returned soldiers. That act required that all such organizations should obtain a certificate from the Department of State, and make reports twice a year. A large number of organizations registered under the act, but they have gradu-

ally diminished in number and are now practically limited to the Daughters of the Empire and the Great War Veterans' Association. We find that this legislation has become obsolete because these organizations do not require such control, and therefore we propose to repeal it.

Motion agreed to and bill read the first time.

NATURALIZATION ACTS AMENDMENT

Hon. FERNAND RINFRET (Secretary of State) moved for leave to introduce Bill No. 115, to amend the Naturalization Acts, 1914 and 1920.

He said: This bill proposes to do away with sections 19, 20, 21, 22, 23 and 24 of the Naturalization Act. These sections require the applicant to make his application before a judge or a court of justice. We propose to do away with that obligation, and return to section 2 of the act of 1914 directing the application to be made to the Secretary of State, under the conditions contained in the 1914 act.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

MIRAMICHI RIVER PILOT COMMISSIONERS

Mr. HANSON:

1. What persons compose the board of pilot commissioners for the district of the Miramichi river, New Brunswick, when were they appointed and what is their remuneration?
2. Was J. W. Brankley, Esquire, of Chatham, New Brunswick, a member of the said board of pilot commissioners, and if so, when was he appointed, and when did he cease to be a member of the board?
3. Was Mr. Brankley dismissed as a member of the board; if so, when and for what reasons?

Hon. Mr. CARDIN:

Names of Commissioners—Address—

When Appointed.

1. David Ritchie, Newcastle, N.B., order in council 20th November, 1922, Leonard O'Brien, Nelson, N.B., order in council 8th March, 1924. J. Kerr Logie, Chatham, N.B., order in council 24th March, 1925, R. A. Snowball, Chatham, N.B., order in council 17th May, 1926, G. P. Burchill, Nelson, N.B., order in council 21st December, 1926. Remuneration—None.

2. J. W. Brankley, of Chatham, was appointed a member of the Miramichi board of pilot commissioners by order in council of 23rd September, 1926, and ceased to be a member on 21st December, 1926.

3. The order in council appointing Mr. J. W. Brankley a pilot commissioner was cancelled by P.C. 65/2118, dated 21st December, 1926, on the ground that the former was passed on the day previous to the resignation of the then government and after said government had sustained defeat at the polls.

BELL TELEPHONE COMPANY RATES

Mr. CHURCH:

In view of an appeal to the Governor General in Council by the municipalities or others from the recent judgment for an increase in tolls and rates by the Bell Telephone Company of Canada, effective from March 1st next, will the government under the general Railway Act postpone the coming into effect on March 1st next of the new schedule of rates pending the hearing and determination of such appeal?

Hon. Mr. LAPOINTE: There has been no appeal to the Governor General in Council as suggested by the question.

COAL ROYALTIES

EXPENDITURE ON NATIONAL PARKS

Mr. EVANS:

1. What revenues from royalties on coal have been received by the dominion since 1905?
2. What has been the expenditure, by years, of the dominion, for past 20 years, on so-called national parks within Manitoba, Saskatchewan, and Alberta?

Hon. Mr. STEWART:

1. $2,973,364.51.

2.

Year	Manitoba	Saskatchewan	Alberta
1906-07	Nil	Nil	$ 21,112 08
1907-08	Nil	Nil	179,577 69
1908-09	Nil	Nil	209,222 36
1909-10	Nil	Nil	128,496 07
1910-11	Nil	Nil	103,288 67
1911-12	Nil	$5,500 00	137,805 46
1912-13	Nil	3,005 95	192,408 70
1913-14	Nil	491 21	524,267 18
1914-15	Nil	441 67	580,051 76
1915-16	Nil	600 00	265,308 52
1916-17	Nil	600 00	274,889 23
1917-18	Nil	19 60	221,970 61
1918-19	Nil	Nil	259,691 56
1919-20	Nil	Nil	464,056 81
1920-21	Nil	Nil	580,754 52
1921-22	Nil	50 00	622,572 38
1922-23	Nil	1,719 08	618,068 72
1923-24	$1,046 43	1,889 94	1,024,649 04
1924-25	1,019 69	2,033 58	830,196 42
1925-26	405 02	669 75	793,613 22
Total..	$2,471 14	$17,020 78	$8,153,017 03

Note:—Prior to the year 1924-1925 there were certain expenses at head office which had

not been allocated to the different provinces. For the last two years these expenditures have been charged against the services in these provinces.

POSTMASTER AT GIBBON

Mr. JONES:

1. Was Edgar Finniss, postmaster of Gibbon, dismissed by the present government?
2. If so, who recommended dismissal, and why?
3. Were there any charges against the said Finniss?
4. If so, by whom were they made?
5. What was the salary of the said postmaster?

Hon. Mr. VENIOT:

1. Yes.
2. Postmaster General—in order to locate office more centrally.
3. No.
4. Answered by No. 3.
5. $60.

ADMISSION OF FARM LABOURERS

Mr. WOODSWORTH:

1. What applications, if any, have been made from the county of Wellington for permission for immigrants to enter Canada as farm labourers?
2. By whom were these applications made?
3. How many of these immigrants are now working on farms?

Hon. ROBERT FORKE:

1. Applications for the entry to Canada of immigrants are not classified by the Department of Immigration and Colonization according to counties and the information requested is not, therefore, available.
2. Answered by No. 1.
3. Answered by No. 1.

MUZZLING OF DOGS

Mr. BELL (St. Antoine):

1. Is the government enforcing without reserve stringent regulations for the killing of all unmuzzled dogs on the island and in the city of Montreal?
2. Has the government modified the regulations allowing owners of valuable dogs redress to recover them upon payment of a fine or penalty; and if not, is such action contemplated, and when?
3. Is a special or standardized type of dog muzzle demanded by the regulations and is a sufficient supply of the same now obtainable from the Society for the Prevention of Cruelty to Animals or other official source?

Hon. Mr. MOTHERWELL:

1. Yes. (There were captured and killed yesterday 14 dogs. This morning up to nine o'clock, four more had been captured. Dogs are killed in the Humane Society's pound. by electricity or gas; none are killed by our men.)
2. The government has not modified its regulations in this respect as yet, but has the matter under consideration.
3. No, but an effective muzzle is required to be worn, safety wire muzzle cages fitting over dog's heads are considered the best. Such a muzzle fitting loosely over the whole head and fastening to the collar is the one we recommend.

Timothy Eaton Company handle such muzzles, and have we believe furnished them to many other vendors. This muzzle allows dogs to open their mouths and to drink water, but they cannot bite.

DISMISSAL OF POSTMASTERS—NEW BRUNSWICK

Mr. JONES:

1. How many postmasters in the province of New Brunswick have been dismissed since October 1, 1926?
2. What are their names, the names of the post offices and the federal constituencies in which said post offices are located?
3. How many of said positions have been filled to date, and on whose recommendation were the appointments made?
4. Has one H. C. Ramsay of Bathurst, New Brunswick, been appointed a commissioner to investigate charges against government officials?
5. If so, upon whose recommendation was he appointed and what is the remuneration to be paid to him, (a) for services; (b) for expenses?
6. In how many cases has he made reports, who were the officials charged and who laid the charges in each case?

Hon. Mr. VENIOT:

1. 38.
2. Statement showing the names of the postmasters in the province of New Brunswick who were dismissed since the 1st of October, 1926, etc.

Name of Post Office	Electoral District	Name of dismissed postmaster	New appointment recommended by
Middle Ste. Louise	Gloucester	R. S. Hachey	Postmaster General.
South Bathurst	"	Richard Doucet	"
Ste. Rosette	"	Jos. J. Hachey	"
Free Grant	"	Henry Aube	"
Inkerman Ferry	"	Jos. A. Arseneau	"
Lobster Beach	"	Michael Murphy	"
Black Rock	"	David J. Murphy	"
Sheila	"	Louis A. Poiron	"
Ste. Anne du Bocage	"	Delas Cor. ier	"

Name of Post Office	Electoral District	Name of dismissed postmaster	New appointment recommended by
Waugh	Gloucester	Etienne Landry	Postmaster General.
St. Regmond	"	Francois Landry	"
Grande Anse	"	Fred. Theriault	"
Burnsville	"	Angus J. S. Branch	"
South River	"	Mrs. Rose Barry	"
Belledune	"	Mrs. Annie Chalmers	"
Cocagne Cove	Kent	Jos. H. Bourque	"
St. Lazare	"	Antoine Cormier	Member for constituency.
Grande Aldouane	"	J. C. Daigle	" "
Renaud's Mills	"	Theotime D. Leger	" "
Birch Siding	"	Mrs. Lilla M. Steeves	" "
Petite Chockpish	"	Thaddee LeBlanc	" "
St. Theodule	"	David Vantour	" "
Legere	Northumberland	Mrs. Rose Legere	" "
Selwood	Restigouche-Madawaska	Wilfrid Savoie	" "
Tooleton	Royal	Hedley H. Toole	Postmaster General.
Thornbrooke	"	J. M. Cusack	"
The Range	"	Wm. R. Burke	"
Jeffry	"	Abbott Hayes	Government candidate for constituency.
Gibbon	"	Edgar Finnis	Postmaster General.
Beulah	"	Geo. McAdoo	"
Curryville	St. John-Albert	Norman Morison	"
Goldstream	Victoria-Carleton	Edmund S. Estabrooks	Government candidate for constituency.
Great Shemogue	Westmorland	John L. Peacock	Postmaster General.
St. Philippe	"	Maxmilien Poirier	Government candidate for constituency.
Boudreau	"	Nere Boudreau	Postmaster General.
Upper Abougoggin	"	Fidele Melanson	"
Killam's Mills	"	G. O. King	Government candidate for constituency.
Newton Heights	"	Mrs. Mabel Russell	Postmaster General.

3. (a) 38; (b) see above statement.

4. Yes.

5. (1) On recommendation of Prime minister. (2) $20 for each full day's attendance or occupation in connection with investigation. (b) Reasonable moving and living expenses.

6. (a) One. (b) W. H. Murchie, postmaster at Benton, N.B. (c) Ernest G. Griffin and Chas. McMillan, of Benton.

CHANGES IN SASKATCHEWAN POST OFFICES

Mr. McGIBBON:

1. Has there been a change of postmaster at the following post offices since the election of 1926, (a) Woodrow, Saskatchewan, and (b) Summercove, Saskatchewan?

2. If so, when was the change made?

3. For what reason was the change made, and on whose recommendation?

Hon. Mr. VENIOT:

1. (a) Yes. (b) Yes.

2. (a) 15th February, 1927. (b) 31st January, 1927.

3. (a) and (b) Active political partisanship, on recommendation of member for constituency.

POSTMASTER AT MELAVAL, SASKATCHEWAN

Mr. McGIBBON:

1. Has the postmaster at Melaval, Saskatchewan, been dismissed?

2. If so, for what cause?

[Mr. Veniot.]

3. Was there any charge of incompetence?

4. What was his salary?

5. Who laid the charge or charges, if any?

Hon. Mr. VENIOT:

1. Yes.

2. Active political partisanship.

3. No.

4. $831.22 including allowances and commissions.

5. Member for constituency.

QUESTION PASSED AS ORDER FOR RETURN

CHANGES IN CUSTOMS DUTIES

Mr. PREVOST:

On what articles of any kind have customs duties been lowered since 1922, and on what articles have such duties been entirely removed since same date?

JUDGES ACT—AMENDMENT

Hon. ERNEST LAPOINTE (Minister of Justice) moved that the House go into committee at the next sitting to consider the following proposed resolution:

Resolved, that it is expedient to amend the Judges Act, chapter 138 of the Revised Statutes, 1906, to provide:—

1. That a salary of $12,000 per annum be granted for one additional judge of the Supreme Court of Canada;

2. That on his attaining or having attained the age of seventy-five years, any judge of the

Supreme Court of Canada or of the Exchequer Court of Canada may be granted an annuity equal to that which he would then have been eligible to receive if this legislation had not been passed and if he had at that time resigned his office.

3. That if the said judge be not then eligible for the grant of an annuity, and was appointed before the passing of this legislation, or if he was appointed after the passing of this legislation and has continued in office for at least ten years, he may be granted an annuity equal to two-thirds of his salary at the time he ceased to hold such office.

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

Motion agreed to.

CANADIAN NATIONAL RAILWAYS

BRANCH LINES CONSTRUCTION

Hon. CHARLES A. DUNNING (Minister of Railways) moved that the House go into committee at the next sitting to consider the following proposed resolution:

Resolved, that it is expedient to bring in measures to provide for the construction, prior to the 31st day of August, 1930, of the following Canadian National Railway branch lines:—

1. (a) From a point about three miles west of St. Felicien on the St. Felicien branch of the James' Bay and Eastern railway to a point on the Mistassini river, in the province of Quebec. Estimated mileage 27.5 miles; average expenditure per mile $53,589; estimated cost $1,463,000.

(b) Section (1). From a point near Hebertville on the Quebec and Lake St. John Railway to Ile d'Alma on the Saguenay river in the province of Quebec. Estimated mileage 9.5 miles; average expenditure per mile $56,526; estimated cost $537,000.

Section (2). From a point on Ile d'Alma on the Saguenay river to Savanne on the Peribonka river in the province of Quebec. Estimated mileage 25.0; average expenditure per mile $63,800; estimated cost $1,595,000.

Total (b). Mileage 34.5; average expenditure per mile $61,797; estimated cost $2,132,000.

The construction of these lines shall be subject to the following conditions:—

In the event of running rights being secured between near Hebertville and Ile d'Alma over the line of the Alma and Jonquiere railway, that part of the line authorized by this act between near Hebertville and Ile d'Alma shall not be constructed by the company, nor shall securities be issued or guaranteed in respect thereof.

2. From a point near Grand Mere on the Canadian Northern Quebec railway in the province of Quebec. Estimated mileage 7.9; average expenditure per mile $213,038; estimated cost $1,683,000.

3. From a point near Pilkington on the Canadian National railway to a point near Niagara Junction on the Canadian National railway in the province of Ontario. Estimated mileage 16.7; average expenditure per mile $69,700; estimated cost $1,164,000.

4. From a point near Weyburn on the Grand Trunk Pacific Saskatchewan railway to a point near Radville on the Canadian Northern railway, in the province of Saskatchewan. Estimated mileage 22.7; average expenditure per mile $25,110; estimated cost $570,000.

5. From a point near Willow Brook on the Canadian Northern railway to a point in township 27, range 9, west of the second meridian, in the province of Saskatchewan. Estimated mileage 22.0; average expenditure per mile $28,000; estimated cost $616,000.

6. From a point near Sturgis on Canadian Northern railway to a point on the Canadian Northern railway between Crooked river and Mistatim, in the province of Saskatchewan. Estimated mileage 100.0; average expenditure per mile $33,950; estimated cost $3,395,000.

7. From a point between Crooked river and Mistatim on the Canadian Northern railway to a point in township 48, ranges 11 or 12, west of second meridian, in the province of Saskatchewan. Estimated mileage 19.0; average expenditure per mile $30,000; estimated cost $570,000.

8. From a point on the Canadian Northern railway between Shell Brook and Kilwinning to a point in township 50, ranges 9 or 10, west of the third meridian, in the province of Saskatchewan. Estimated mileage 37.0; average expenditure per mile $32,432; estimated cost $1,200,000.

9. From a point at about mile 67 on the Turtleford Southeasterly branch of the Canadian National railway to a point on the Canadian Northern between Hafford and Richard in the province of Saskatchewan. Estimated mileage 35.6; average expenditure per mile $31,742; estimated cost $1,130,000.

10. From a point near Kindersley on the Canadian Northern railway to a point near Glidden on the Canadian Northern railway in the province of Saskatchewan. Estimated mileage 18.0; average expenditure per mile $35,555; estimated cost $640,000.

11. From a point near Spruce lake on the Canadian Northern railway to a point in township 53, range 25, west of the 3rd meridian, in the province of Saskatchewan. Estimated mileage 29.5; average expenditure per mile $33,559; estimated cost $990,000.

12. From a point near Hudson Bay junction on the Canadian Northern railway to a point in townships 39 or 40, range 5, west of the second meridian, in the province of Saskatchewan. Estimated mileage 32.0; average expenditure per mile $34,000; estimated cost $1,088,000.

13. From a point near Elk Point on the Canadian National railway to a point in township 55, ranges 3 or 4, west of the fourth meridian, in the province of Alberta. Estimated mileage 19.0; average expenditure per mile $39,210; estimated cost $745,000.

14. From a point near Ashmont on the Canadian Northern Western railway to a point at or near Bonnyville, in the province of Alberta. Estimated mileage 38.0; average expenditure per mile $37,237; estimated cost $1,415,000.

15. From a point near Bretona on the Canadian Northern railway to a point near Clover Bar on the Grand Trunk Pacific railway, in the province of Alberta. Estimated mileage 11.0; average expenditure per mile $29,000; estimated cost $319,000.

Motion agreed to.

NORTHWEST TERRITORIES ACT—AMENDMENT

Hon. CHARLES STEWART (Minister of the Interior) moved that the House go into committee at the next sitting to consider the following proposed resolution:

Resolved, that it is expedient to amend the North West Territories Act, chapter 62 of the Revised Statutes, 1906, to provide that the Commissioner in Council may make ordinances for the levying of an export tax upon furs exported from the territories to any part of Canada, or to any foreign country.

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

Motion agreed to.

CANADIAN NATIONAL RAILWAYS

REFUNDING OF FINANCIAL OBLIGATIONS

Hon. CHARLES A. DUNNING (Minister of Railways) moved that the House go into committee at the next sitting to consider the following proposed resolution:

Resolved, that it is expedient to bring in a measure respecting the Canadian National Railways to provide for the refunding of certain maturing financial obligations, and to issue substituted securities therefor guaranteed by the Dominion as to principal and interest, but not exceeding $20,000,000, the aggregate face value of the original securities.

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

Sir GEORGE PERLEY: I do not think the minister said that His Excellency had approved the resolution having to do with the branch line construction.

Mr. DUNNING: I must apologize. I communicated that approval to the Clerk a moment afterwards.

Motion agreed to.

PURE-BRED STOCK

DISTRIBUTION OF SIRES AMONGST BREEDERS

On the Orders of the Day:

Mr. JOHN MILLAR (Qu'Appelle): Having received a telegram yesterday from a representative of the Cattle Breeders' Association I would ask the government if they have discontinued the policy of distributing sires among cattle breeders?

Hon. W. R. MOTHERWELL (Minister of Agriculture): As my hon. friend knows, the federal Department of Agriculture has been under some criticism in the last few years because it has engaged in certain activities which have been looked upon as of a distinctly provincial character. As an evidence of this I might say that the first distribution of live stock was engaged in by the province of Saskatchewan as long ago as 1908. This was taken up by the adjoining prairie provinces shortly after, and in 1913 the federal Department of Agriculture began the same work and has carried it on up to the present. It has been thought advisable now to leave this field exclusively to the provinces, because it is distinctly productive work which lies within their particular prerogative, the idea being that we may engage in some new and more particularly federal work such as the question of marketing coöperative and otherwise.

PRIVILEGE—MR. EDWARDS (Frontenac)

On the Orders of the Day:

Hon. J. W. EDWARDS (Frontenac-Addington): As a matter of privilege, Mr. Speaker, I wish to call your attention to an error which I notice in Hansard of yesterday and which I have no doubt was quite inadvertent. Just before taking my seat I said:

I want to add, before moving the adjournment of the debate, this further word.

Then follows a very short sentence, which I concluded with these words:

I now move the adjournment of the debate.

Some hon. MEMBERS: No, you didn't.

Mr. EDWARDS (Frontenac): My friends sitting near me heard those words but possibly you, Mr. Speaker, did not. As I understand the rules of the House, if this matter should come up again I would be deprived of the very great pleasure of discussing it further if this is not understood.

Mr. SPEAKER: I heard the hon. gentleman when he was speaking last evening, but as it was just a minute or so beyond the allotted hour for the House rising, I did not think his motion was in order. The hon. gentleman in the course of his remarks had indicated his intention of moving the adjournment of the debate. Personally I have no objection, if the House gives unanimous consent.

Mr. EDWARDS (Frontenac): I would point out, Mr. Speaker, that it is never six o'clock until you say so.

LABRADOR BOUNDARY DECISION

On the Orders of the Day:

Mr. C. H. CAHAN (St. Lawrence-St. George): Mr. Speaker, I wish to ask of the acting leader of the government a question which I think is of very grave public importance. In view of the decision of the Judicial Committee of the Privy Council awarding to

the Dominion of Newfoundland an immense area of the mainland of British North America which naturally forms a part of the Dominion of Canada, will this government forthwith take into its favourable consideration the acquisition by purchase from the government of Newfoundland of the territory so awarded to the Dominion of Newfoundland, so that Canadian citizens resident in that territory and their large financial investments and other interest therein may continue under the legislative and administrative jurisdiction of Canada?

Mr. POULIOT: Is that for the Bank of Montreal or the Canadian Pacific Railway?

Hon. ERNEST LAPOINTE (Minister of Justice): I would not like to commit the government to any course at this early stage. The time has not yet elapsed during which unfortunate litigants have the privilege of abusing their judges, and I think the best thing to do is to wait until the text of the judgment reaches us, when it will be time enough to consider the suggestion of my hon. friend.

Mr. E. J. GARLAND (Bow River): Perhaps, speaking ironically, it would meet the wishes of the hon. member for St. Lawrence-St. George (Mr. Cahan), if the Canadian government at once mobilized and despatched the Canadian navy to the Labrador coast!

CALGARY LIVE STOCK INVESTIGATION

On the Orders of the Day:

Hon. R. B. BENNETT (West Calgary): May I ask the Minister of Agriculture when we may expect a copy of the report in connection with the investigation of the Live Stock Exchange at Calgary? I have been telegraphed most urgently because it is conceived that a great injustice is being done by this report not being presented, and I should like it to be presented as soon as possible.

Hon. W. R. MOTHERWELL (Minister of Agriculture): In reply to a similar question in the early part of the week, I expressed the hope that I would be able to table the report before the end of the present week, and I am still of that hope. The staff is busily engaged now typing out the report.

UNEMPLOYMENT RELIEF

On the Orders of the Day:

Mr. H. A. STEWART (Leeds): I would like to inquire from the government, and particularly from the Minister of Labour, whether it is the intention of the government to make any contribution, either jointly with the provinces or otherwise, to municipalities which have expended money during the winter months for the relief of unemployment within their borders.

Hon. PETER HEENAN (Minister of Labour): There have been only about two applications from the whole Dominion, from cities, asking for relief along the lines suggested by my hon. friend. I have communicated with them, and they have not insisted upon any relief being granted by this government. They will be able to cope with the situation themselves.

OLD AGE PENSIONS

The House resumed, from February 18th, consideration in committee of Bill No. 70, respecting old age pensions.—Hon. Mr. Heenan—Mr. Johnston in the chair.

Section 1 agreed to.

On section 2—Definitions.

Mr. HOCKEN: I would like to make a suggestion to the minister and to the government in connection with this bill which I think is well worthy of consideration. I understand that the annuity system that we have under Domnion government auspices is under the control of the Department of Labour. I am not opposed to an old age pension scheme, but it does seem to me, Sir, that if somewhat better conditions were attached to the annuity system it might be taken advantage of by many people who now do not think it is within their reach. For instance, why should we not endeavour to the utmost of our abilitiy to develop that spirit of self-help among the people of Canada? Why should we not encourage the sale of annuities, instead of placing so much stress upon old age pensions? Would it not be a reasonable policy for the government of Canada to add to the payments that are now being made to annuitants under the annuity scheme some further substantial sum, say 25 per cent? My belief is that that would make the annuities much more attractive than they are at the present time. Of course, neither this government nor any other have ever treated the annuity scheme as a serious proposition. They put the act upon the statute book and let it go at that. We cannot develop business, especially in a new line like this, unless some greater energy is applied to make the plan familiar to the people who ought to take advantage of it and give some advantages that will encourage them to purchase these annuities. I am not prepared to move anything in connection with this bill. I do not know that my proposal comes properly within the purview of the bill. I am merely throwing out

the suggestion, as it seems to me I have reason to do in this connection, for the further consideration of this government, that they should make their annuities attractive, to encourage people of Canada to buy them instead of depending upon the $20 a month payment as an old age pension. Undoubtedly a great deal could have been done to increase the number of annuities purchased if greater publicity had been given to the scheme, and if further advantages had been given to those who might reasonably be expected to provide for their old age in that way. It is a form of insurance which I believe the insurance companies engage in. I think I am right when I say that the government established this annuity system before any of the companies adopted such a scheme. The companies came in afterwards, and if those companies are doing a big business they are taking it away from the government. It is a very proper thing—well, it might be described as public ownership—and it is a most advantageous system for men who have sufficient money to put away a little year by year to provide for their old age, and to maintain their self-respect as they certainly will, better than they can by taking an old age pension at the age of sixty or seventy. I hope the government and the Minister of Labour will go into this, figure it out and at the next session of parliament present some reasonable measure for the development of annuities.

Mr. HEENAN: We have already under consideration and under way an investigation on behalf of the department of the very matter which the hon. gentleman has spoken of, and I hope our annuity system will be extended so that it will do just what the hon. member proposes it should do and thus make it easier for the workers. I am trying to develop a joint contributory scheme in which employers, the provinces and the Dominion will have a part. It would bear very lightly on the shoulders of the workers, but the provinces, the Dominion and the workers would all contribute.

I do not know whether it will shorten the discussion on the bill now before us, but I may tell the House that the bill we have before us is to provide relief for those who have already reached the age of seventy. Last session the bill was defeated in the Senate. It was discussed during the last election, and I think I am safe in saying that if anything was prominently before the electors of the country the old age pension bill was. This was the bill that was before the electors at that time and we are now submitting it to you in the form in which the House and the people endorsed it. It is true the bill does not go as far as some of us might desire but no matter what proposition is offered it necessarily involves expenditure. The bill was thrown out by the Senate last year, because it entailed an expenditure of approximately $14,000,000. The suggestions which have been made are good and will be valuable for future consideration, but if adopted by the government, would mean an expenditure of between $60,000,000 and $70,000,000, and I hardly think that would be an inducement to the Senate to accept it, when they did not see their way to pass a measure which would entail a cost of $12,000,000.

Mr. EDWARDS (Frontenac): If I understood the minister correctly, he estimated that it would cost the Dominion treasury about $14,000,000.

Mr. HEENAN: About $12,000,000.

Mr. EDWARDS (Frontenac): Will the minister please explain just how it is going to cost $60,000,000 if the Dominion bears the whole expense?

Mr. HEENAN: I do not think the hon. member understood what I said. The suggestions were to make it a purely federal bill, to reduce the age from seventy to sixty-five, and to give the pensioners a dollar a day or $365 a year, instead of $240. I said that if those suggestions were acepted by the government the bill would entail an expenditure of between $60,000,000 and $70,000,000 roughly calculated. I would ask the House to accept this measure, get it on the statute book, and then we can amend it as we see fit, in the light of our experience.

Mr. EDWARDS (Frontenac): Has the minister made any calculation as to how much it will cost the provinces if this measure goes through? He states that $12,000,000 would be the approximate cost to the Dominion treasury. How much would it cost the provinces?

Mr. HEENAN: The same amount.

Mr. EDWARDS (Frontenac): Hardly the same amount, because section 3 speaks of fifty per cent of the net cost. Who is providing the machinery? If it only costs the Dominion half of the net cost to the provinces, then manifestly it will cost the provinces much more than it will cost the Dominion.

Mr. HEENAN: We have taken that into consideration, and almost every province in the Dominion has some kind of social service work, such as workmen's compensation board, or mothers' allowance board, and this measure can be readily administered through those

boards without any extra cost—probably the cost of one or two clerks. A bill has been introduced in the legislature of British Columbia which will give power to the Workmen's Compensation Board to administer the Old Age Pension Act, and it will not cost them anything additional.

Mr. ERNST: What I have to say perhaps would more properly come under the next section of the bill, but I will make my statement now, in view of the remarks of the minister. The reason he has given to the House for not going into a detailed consideration of the clauses of the bill is that it was before the electors at the last election. Doubtless most of us in this House are well aware that it was before the electors, but I believe in some quarters, amongst those who supported the bill last year, there has been a change of heart or a change of opinion. For instance, we have in Nova Scotia the Halifax Chronicle, the chief Liberal organ of the province. During the federal election the Halifax Chronicle extolled the old age pension bill as presented to parliament during last session, but I hold in my hand an editorial which appeared in the Halifax Chronicle, February 18, of this year, which reads as follows:

> While strongly favoring old age pensions, the Chronicle believes, for reasons set forth in previous articles, that the federal government would do well, in dealing with the old age pensions bill, to arrange itself to make the necessary provision for the payment of the pensions. Having in its possession the principal sources of revenue in Canada and having initiated the old age pensions scheme, it would seem to be the duty and privilege of the Dominion government to provide ways and means for carrying that worthy measure into effect.
>
> Most of the provinces are short of revenue. In fact, it may be impossible for some of them to respond to the terms of the present bill. Nova Scotia with a deficit of more than one million dollars might find it difficult to assume additional burdens. In this circumstance, then, it would seem only fair that in promoting the purpose of the measure, the federal government should also see to it that it provides the necessary money to carry on the work. It is submitted that if any province had passed such a bill, contingent upon the federal government providing half the funds, it would probably be considered inappropriate and ineffective if not offensive. The present bill of the federal government is in much the same category.

I draw that to the attention of the House, Mr. Chairman, in view of the remarks of the minister that the bill was before the electors at the last election.

I endorse the statements made by the member for Cumberland (Mr. Smith) when he spoke on the measure in committee two weeks ago. As far as Nova Scotia is concerned, it would not come into effect for many years. As the minister knows, this year the province has a deficit of $855,000. It is in the unhappy position of having had a great many of its young men emigrate, and there is probably a larger proportion of old people in Nova Scotia than in any other province. Taking what I believe to be a typical district in my own constituency, I reckon that one person in forty would come under the provisions of this bill. True, the majority of them have property, but they would be eligible for pensions. On that basis it would cost the province approximately $1,500,000 a year as its proportion of the pension fund. With the deficit of $800,000 facing it now, it would be impossible for Nova Scotia to put the measure into effect. I think the same applies to several of the other provinces.

I believe in the principle of old age pensions, but I do not believe in the present bill. It is nothing more than a political gesture and will never give pensions to our old people.

Mr. ADSHEAD: What do you do now with your old people, let them starve?

Mr. ERNST: We have poorhouses maintained by the municipalities. It has been pointed out that the bill would enable the municipalities to do away with their poorhouses, but I believe this to be a fallacy, because many of the inmates are under seventy years of age and feeble-minded. In neither case would the bill provide for those people.

Mr. ARTHURS: Mr. Chairman, last session when a similar bill was before the House I spoke strongly in favour of its principle. I am still in favour of the principle of old age pensions, but in this proposed legislation I see many manifest injustices to the provinces. On the introduction of the resolution preceding the bill the minister was questioned as to how many of the provinces had agreed to the principle. I think he said one. So only one of the nine provinces has agreed to coöperate in this legislation. In Ontario we have somewhat similar legislation in the Mothers' Pensions Act; and it has worked very satisfactorily. That work has been undertaken entirely by the province, and if it is deemed necessary to look after our people who are over seventy years of age, I believe Ontario will be equally willing and able to take care of them. In my own riding the position is pretty much the same as that described by the hon. member who has just sat down (Mr. Ernst). We have a home which is well sustained and very satisfactorily carried on to take care of old indigent people, and I do not think that the majority of my constituents would be in favour of this legislation.

In my view the bill is unworkable in some particulars. For instance, under section 10 if a pensioner moves from one province to another the province from which he is receiving his pension is entitled to recover from the other province a proportionate amount of that pension. But how is it possible to recover if the other province has taken no steps to put this proposed legislation into effect? Section 11 is also objectionable.

I repeat, Mr. Chairman, I am in favour of the principle of old age pensions, but I believe the Dominion government should bear the total cost. We have had several instances along this line. It will be remembered that the Dominion government provided $20,000,000 to assist the provinces to build good roads, but I think if the expenditure were scrutinized it would be found that an undue proportion of it represented administration costs. The same is true, I believe, in regard to technichal education. We have made a federal grant of $1,000,000 a year—

Mr. HEENAN: A little more.

Mr. ARTHURS: —and probably up to the present time only one of the provinces has taken advantage of that grant, but the act has to be administered and the cost of administration is entirely disproportionate to the amount of the grant. I think the same condition would apply in this case. I believe every member in this House is in favour of the principle of the bill, whether he sits on the right or the left of the Speaker; but we differ as to the manner in which it should be applied. Speaking for myself, I am entirely in favour of the Dominion either assuming the whole liability or leaving the matter alone.

Mr. CAHAN: Mr. Chairman, both last session and this I have listened to a discussion of the "principle" of this bill. It seems to me to be a bill without principle. The bill is a sorry political gesture, made for the purpose of creating confusion in the minds of those who would be entitled to pensions, those who are promoting the bill knowing full well that under existing conditions it is utterly impossible to carry the proposed legislation into effect throughout the Dominion. There is very strong ground why the government should take into consideration the necessities of those who are unable by reason of age to earn an ordinary living. But the same principle that applies to those who would be entitled to pensions by reason of old age applies to those who by reason of any physical or mental infirmity are deprived of the capacity of earning a living and have no private revenue for their support. During my last election contest in the city of Montreal it was not the question of old age pensions that caused me difficulty; it was certain promises made by the Prime Minister of this country (Mr. Mackenzie King) to a delegation, partly from my constituency, to the effect that all those who suffer from blindness would this year receive by federal measure relief on the scale suggested in this bill for old age pensions. In fact, so confident are some of those people who were led to vote for my opponent on that occasion, by reason of the promises made by the Prime Minister to that delegation, that I hold in my hand a letter dated February 10 of this year written by Philip E. Layton, president of the Canadian Federation of the Blind, in which he asks me, confident in his belief that this remedial measure will be introduced at this session, to give my support in its favour when the bill comes before the House.

Mr. ELLIOTT: Does Mr. Layton in that correspondence suggest that the Prime Minister made the promise which the hon. gentleman has mentioned?

Mr. CAHAN: Let me read the letter:

Mr. C. H. CAHAN,
Parliament Buildings,
Ottawa, Ontario.

Dear Sir:

Premier Mackenzie King on June 22, 1926,—

Note the date.

—received at Ottawa a delegation of 100 blind persons from all over the Dominion, who presented to him a petition asking that pensions be given by the government to the blind. . . . Premier King on receiving the petition kindly stated that he would be pleased to sponsor a bill for state aid for the blind at the next session of parliament. I am instructed by the council of the Canadian Federation of the Blind to ask if you will kindly give your support to this bill when it comes up in the legislature.

Mr. NEILL: I rise to a point of order. I do not wish to interrupt the thread of the hon. gentleman's remarks, and for that reason I have kept silent hitherto. But as he himself has said, he is discussing the principle of this bill and I would direct the attention of the Chair to the rule that the principle shall not be discussed in committee, but merely the particular section of the bill under consideration. With no ill-will to the hon. member, and with no desire to cut off his line of thought, which of course should have been given to us on the second reading or during the discussion of the resolution, I submit that this is not the time and place to go into a general and wide consideration of the principle of the bill. If we do so we shall never get anywhere. I would ask for the ruling of the Chair.

Mr. CAHAN: It has been frequently stated in this House in my hearing by the leader of the House that in order to avoid any lengthy

discussion on the second reading of a bill hon. members might reserve their remarks for the committee stage, when the utmost liberty would be given.

Mr. NEILL: To discuss the details.

Mr. CAHAN: I was not discussing the principle but the utter lack of principle of the bill, and the unprincipled ground on which the legislation is being promoted. This objection will simply prolong discussion. We are facilitating the passage of the legislation and it is convenient that I should have five minutes now in which to state my position, rather than take five hours to state it later on. The bill has not received the consideration from the department which it should have been given. It should be a federal measure, because this parliament has no control over the provinces. This parliament is well advised that the provinces of Canada will not accept the measure in the terms in which it is now before the House, and the Prime Minister has promised a special measure for those who are suffering from blindness. For these reasons the bill should in my opinion be withdrawn to allow the government ample time to consider it in all its bearings. Thereafter the government could submit a measure of wider application, carrying out on the one hand the Prime Minister's promise to the delegation which approached him in June last, and, on the other, making due provision for those who are suffering from other physical or mental deficiency or infirmity which prevents them from earning a living. With regard to those who are now in a position to earn a living and who have an income, I think that such a general bill should provide that those, under the pension age, in that position, should contribute an amount, however small, towards the pension which they would be entitled to receive later in life. There is no objection anywhere in the country, on the part of those wage earners who are likely to participate in the pension provisions of a bill of this character, to making a modest contribution during those years in which they are earning a revenue, while there is a persistent opposition throughout the length and breadth of the country to the adoption of anything approaching the dole system, which has proved so disastrous in some other countries. I suggest therefore that the government should carry out its pledge to the blind delegation or withdraw this bill. We have ample time now for sober reflection, as we are not now on the eve of a general election. The government at a subsequent session could bring down a bill more thoroughly considered, more complete in its terms and one which would meet with the general approbation of the whole country and at the same time provide a basis for contributions, however small, from the wage earners towards paying the pensions to which they would subsequently become entitled if through infirmity of mind or body they should find it impossible to earn a living.

The CHAIRMAN: Rule 13, section (5), reads:

> Speeches in committee of the whole must be strictly relevant to the item or clause under consideration.

I must rule in accordance with this provision that general remarks under the section now being discussed are not relevant.

Mr. ERNST: The minister opened the discussion.

Mr. HEENAN: So far as the government is concerned we have no desire to curtail discussion on any question relating to this bill. We did say that we would allow the fullest opportunity for its consideration in committee, but of course, we cannot prevent any hon. member from appealing to the Chair on a point of order.

The CHAIRMAN: It would expedite the passage of the bill if the committee would adopt section 2 and proceed to the clause relating to agreements with the provinces.

Mr. LAVIGUEUR: Have any conferences been held with the premiers of the different provinces regarding this legislation?

The CHAIRMAN: If the hon. member would allow section 2 to pass his remarks will be relevant to section 3. Shall section 2 carry?

Mr. BLACK (Yukon): Before section 2 is carried I point out to the minister that subsection (d) of the section reads:

> "Province" includes the Yukon territory, in respect to which "commisioner" shall be read for "Lieutenant Governor in Council".

There is no such official in the Yukon as commissioner as the word "commissioner" is used here; that position was abolished as long ago as 1918. Although the bill for many other reasons is not practicable but is unworkable, and will in all human probability never be put into force in the Yukon territory, and probably not in any of the provinces, for the reason alone which I have mentioned it would not be workable in Yukon, and the minister will have to find some other wording for the subsection than it contains now if he is going to make the law applicable to and workable in the Yukon territory.

Mr. HEENAN: My advice from the law department is that the term "commissioner" is quite correct and that it will not interfere with the proper working of the bill. If I remember aright the hon. member raised the same question last year, but since then the law department has advised me that the term is perfectly proper and that Yukon will be able to come in under the bill.

Mr. BLACK (Yukon): I can only say to the minister that I have warned him and although I do not think the effect will be very disastrous if he proceeds—because as I said before the bill in all probability will never be applied in that territory and therefore it does not matter how it is worded—yet in the first place to be of any use to the people up there a larger pension should be provided and the entire responsibility should be assumed by the federal government, because the local government in Yukon is in no position at all to carry out the requirements of this bill.

Mr. IRVINE: Is the government absolutely adamantine in regard to this bill? Is there no possibility of their considering a federal scheme?

Mr. HEENAN: I thought I had made it perfectly plain on two occasions that the government would like the House and particularly the labour men to accept this bill. We have had other legislation such as pension bills and mothers' allowance bills, and they have never been one hundred per cent perfect when enacted, but they have been amended afterwards in the light of experience. I think I have said enough without directly answering my hon. friend's question.

Mr. IRVINE: The point I have in mind is that when the principle of this bill was discussed I understood that the Alberta government fully intended to pass legislation complying with the federal bill, but since that time I understand the Alberta legislature has voted against the resolution asking the local government to pass enabling legislation. I should like to see the old people in my province get some relief under an old age pension bill, but if we can gather anything from the resolution passed by the Alberta legislature a few days ago the present proposal will bring nothing to that province.

Now a lot has been said about what the people expected from old age pensions during the last election. We are all aware that the people want old age pensions, but they did not know what kind of a bill was being talked about. They want an old age pension and they want it now, but I venture to say the present bill will not receive the endorsation of the people of Canada. I am not opposing the government in this matter, but I would insist that they give this bill reconsideration in view of the difficulties that seem to present themselves in carrying it out; and in view of the fact that the entire House is in sympathy with the government in introducing old age pensions, and is willing to support a proper scheme, I cannot for the life of me see why they should not reconsider the proposal.

Mr. ADSHEAD: The hon. member for Wetaskiwin (Mr. Irvine) has spoken of the resolution before the Alberta legislature on the subject of old age pensions. I hold in my hand an extract from a speech made by Premier Brownlee, and while it is true the legislature voted down the resolution, at the same time Premier Brownlee corrected Mr. White, one of the members for Calgary, with respect to some statements he had made, adding simply that they were not entirely satisfied with the proposed fifty-fifty arrangement provided for in the bill. He pointed out, however, that the bill had not passed the federal parliament, and they hoped to do some further bargaining by which the federal government would assume a little larger share of the cost than was involved under the fifty-fifty arrangement. So that the resolution failed to pass, I take it, in consequence of the representations of the Alberta government that there would be further negotiations in order to see if some better arrangement could not be arrived at. The attitude of the labour members of the legislature was not entirely antagonistic although they expressed themselves as not quite satisfied with the bill. For example Mr. White, to whom I have already referred said he was not quite satisfied with the bill. He believed that the age limit should be below seventy years. While the labour men in parliament asked the federal government to assume full responsibility, they would accept the present bill. The local member also said that amending legislation could be enacted from time to time, and he asked why the aged should be deprived of assistance because the local authorities could not get all their own way at this time. Mr. Parkyn member of the legislature for Calgary supported the view that half a loaf was better than no bread and the bill ought to be sustained. Mr. Smeaton, member of the legislature from Lethbridge, asked the legislature to commit itself to the enactment of the necessary legislation in Alberta as soon as the old age pensions bill passed parliament. Mr. Christopher, a member from the Crowsnest pass mining district, said that the federal government would put up $10 out of every $20 paid. In this connection he used rather

peculiar language for he said "it would mean a large sum coming to the province and should not be sneezed at."

I just want to say a word or two with respect to the remarks of one of the members from Toronto. The hon. member in question referred to annuities, and said that everybody should, during his wage-earning period, lay aside sufficient out of his meagre earnings in order to provide for his old age. That is a very good principle and I only wish it could be carried out in its entirety. But in looking through the estimates I find that judges who receive salaries ranging from $5,000 to $8,000 are retired with an annual pension of $5,000 or $6,000. I have not learned that these gentlemen have made any particular provision for their old age during their tenure on the bench, but I am quite sure of the fact that they are just as well able to lay aside something out of their "meagre earnings," to use the language of my hon. friend, as a workingman who receives only from 50 cents to 75 cents an hour. I am not objecting to the learned judges being given pensions because they deserve well of their country and have served it faithfully. Military men who have served their country well with the sword have also received pensions without any inference being made that they should have saved money out of their meagre salaries to provide for their old age. I want to say, Mr. Speaker, just as emphatically as I can, that the man who serves his country with his spade is equally entitled to a pension without having it said that he should have saved something for his old age. I hope the House will pass this bill now, and if it needs some amendments in the future that can be done.

Mr. LAVIGUEUR: I think hon. members on both sides of the House are in favour of this principle, but I think they would be better satisfied if the government would say whether the provinces have been consulted. We are laying a burden on the shoulders of the different provinces; they will be compelled to pay 50 per cent of the cost of operating this measure. If the government could tell us that after consultation the provinces are in favour of taking the responsibility of this measure I think hon. members would be satisfied.

Mr. EDWARDS (Frontenac): The principle of old age pensions is right and good, but the principle of this parliament obliging provincial governments to add to their expenditures is wrong.

Mr. CANNON: We are not doing that.

Mr. EDWARDS (Frontenac): That is absolutely what the government are doing. You are placing the provinces in this position, that without any say on their part with regard to the terms of this bill they must pay half the cost and furnish the machinery for putting the act into operation or run the risk of being labelled as opposed to the principle of old age pensions. But perhaps that may be better discussed under another clause.

I rose to call the attention of the minister to the fact that in section 2 provision is made for the application of the act to the Yukon, but as the hon. member for Yukon (Mr. Black) has pointed out, there is no such person as a commissioner there. The minister has not attempted to get over that difficulty at all, so I would suggest that we finish section 2 before we proceed to the next part. What does the minister propose to do in this case? He gave no answer to the hon. member for Yukon. Does he propose to create a commissioner there at a certain salary, and to send a man from Ottawa or some other place to that part of the country? Why pass this section when, as it now stands, the act cannot be put into operation in the Yukon?

Mr. ELLIOTT: Might I say in answer to my hon. friend that the clause as it now stands was drafted by an officer of the department who came from the western provinces originally, where he was a very distinguished member of the profession. A similar objection was voiced last year and this gentleman gave it as his opinion that the clause as then drafted and as it now appears in this bill would meet the requirements of the Yukon.

Mr. EDWARDS (Frontenac): Is there such an officer as commissioner in the Yukon? Of course if there is, that would meet the case, but if there is not manifestly something must be done in order to make this section workable. I do not care how close this distinguished gentleman lived to the Yukon; the whole thing is whether or not such an officer is there.

Mr. HEENAN: I would ask that section 2 stand for the time being, and I hope to have an answer in a few moments.

Section stands.

On section 3—Agreements with provinces.

Mr. HEAPS: I regard this clause as containing the crux of the whole bill, because herein it is stated that one-half the necessary funds must be paid by the provinces which come under the act. I contended last year and I take the same position again that the contribution from the federal exchequer should be considerably greater than 50 per cent. I am inclined to believe that if this act be-

comes law certain provinces will not take advantage of its provisions because they are being asked to bear too great a burden of the cost. It is all very well for the Minister of Labour to ask us to pass the bill as it is, but I think every member of this House has a responsibility both to himself and to his constituents, and in this case the government also has a responsibility. The impression has been created throughout the country that when this act becomes effective the old people of Canada will be entitled to a pension of $20 per month, but if the scheme goes into effect as it now appears probably the majority of the provinces will not take advantage of the bill and many of our old people will suffer a very cruel disappointment. I want to obviate that if possible, and one way in which that can be done is to impress upon the government the necessity of making a larger contribution so that none of the provinces will have any excuse for not coming under the provisions of the act. I think it no excuse to say that the bill may be passed at this session and then, if it does not work, it may be amended next session as may be necessary, because I think that pre-supposes that the provinces will not come under its provisions. I would far rather make one bite of the cherry than two.

Mr. HEENAN: If the hon. member is referring to myself, he is not interpreting my words correctly. I said that we could get the principle established and amend the bill in the future in the light of our experience.

Mr. HEAPS: That bears out the statement I made. If the provinces do not take advantage of its provisions we may have to come here next year and make some amendments to the bill. I do not want that to be necessary; I believe that we should pass the bill this year and see that it becomes operative in all the provinces without waiting for further amendments. I do not want to see the old people who I know expect this bill to be passed disappointed now, because that would also mean that every member of the House would have to make some sort of an excuse for having put a bill into effect which does not provide those old age pensions which the people have been led to expect. There is a tremendous difference between 1926 and 1927, due to the fact that in the meantime we have had a general election. Last year the very principle of the bill met with a certain amount of opposition, and there was some doubt expressed by members of this House as to whether the country would accept an old age pension scheme. These doubts have now been completely swept away, and to-day the principle of old age pension has been accepted by all parties in this House as well as by all shades of opinion throughout the Dominion. I think under those circumstances the government, which may have felt doubtful last year, can afford to be a little more generous. If they contributed three-quarters of the amount, say seventy-five per cent, it would add at the very most $6,000,000 per year to the annual expenditure by the Dominion of Canada. I think the government might very easily have foregone the reduction of ten per cent in the income tax this year, and provided for a federal contribution of seventy-five per cent towards the scheme, in order to make sure that the act shall become operative in all parts of the Dominion.

I would suggest that the government allow this measure to be shaped by the House itself, and let the House assume full responsibility. Let us get away from that custom which we very often follow in this House of the government assuming full responsibility. It is all very well for the government to assume full responsibility under certain circumstances, but in a measure of this kind, where the House can arrive at a certain degree of unanimity, I would like the House to be allowed to vote on this question of a seventy-five per cent contribution by the government. I do not know, Mr. Chairman, whether you can accept an amendment if I move it, providing for increasing the contribution by the federal government from fifty to seventy-five per cent. I am inclined to think it would be out of order, but I do not know that the House ought not to be divided on this particular question. I think there are quite a large number of members sitting on the opposite side of the House who would favour a larger contribution from the federal exchequer, so that they may be sure that the bill will become operative in their own province. Just now we are discussing this question as to the respective shares of responsibility that the provinces and the Dominion shall assume, and I am trying to impress upon the House that the government ought to assume at least seventy-five per cent of the cost of this measure, because although it says in the act that the provinces shall assume fifty per cent of the cost of the pensions, in addition to that they have to assume the full cost of administration of the measure. I do not know exactly what that is going to mean, but it will be a considerable sum per year in some of the provinces where they have not machinery of a similar character in regard to other social legislation.

The Minister of Labour has referred to other schemes that are in operation, such as

the Workmen's Compensation Act and mothers' allowances, but those measures afford absolutely no parallel to the measure before us at the present time. They are entirely provincial measures, and are not affected by any action of this House. But this is a case where we believe that the federal government should enact legislation to give assistance to the aged people in this country, and consequently the reference of the minister as to the similarity between this legislation and legislation in regard to mothers' allowances and workmen's compensation does not apply. I am going to ask the Minister of Labour or the government if they will be good enough to tell the House what objection they have to contributing seventy-five per cent towards the cost of this old age pension scheme.

Mr. PECK: I fully agree with the principle of this measure. The old people of this country who are unable to earn a living for themselves are entitled to full consideration from the people of this Dominion. The same principle applies, of course, to all people who are helpless and unable to make a living for themselves. We apply this principle in giving assistance to widows and children, and in the Workmen's Compensation Act, and particularly should we consider the old people who have served their country in one way and another and are now unable to support themselves. I am glad, therefore, to find that the House is so largely in accord with the principle of this bill.

I regret that the government should not have seen fit to contribute a larger sum than fifty per cent towards the operation of this measure. I am not prepared to quarrel with the view that perhaps it would be better to leave the administration of this scheme to the provinces, because that might lend itself to economy and greater care in the distribution of the money, and on that account perhaps some contribution should be made by the provinces; but for this parliament to offer to contribute only fifty per cent seems to me unreasonable. It would certainly not be sufficient to ensure that the provinces would adopt the necessary legislation to give effect to this principle we all accept. I fully agree with the hon. member for North Winnipeg (Mr. Heaps) that the federal government should contribute at least seventy-five per cent towards the cost of these pensions. I for one am not satisfied to see the bill go through in its present form, but if the House sees fit to pass it in its present form, I shall accept it, because I accept the principle. I would like to see the House left free to determine whether or not we should contribute at least seventy-five per cent, and I think before this bill finally passes a resolution should be introduced dividing the House on that question, with a view to making the measure acceptable to the provinces. If the provinces cannot be persuaded to accept the contributions provided for here, and I do not think they can, the act is going to remain a dead letter, and the poor people of this country, of whom there are many in my constituency looking for relief in this direction, are going to be bitterly disappointed. I therefore trust that the government will see its way clear to increasing the amount substantially in order that the measure may become operative in all the provinces.

Mr. LADNER: In line with the suggestion that the federal contribution should be seventy-five per cent, I move, Mr. Chairman, and I do not think this is an infringement of the rules at all, that the words "three-quarters" be substituted for the words "one-half", in line 22. I make the point that this clause is simply giving authority to the Governor in Council to enter into an agreement. The government are not obliged to make the agreement; it is optional, and likewise they are not obliged to make an agreement providing for the proportion set out in this clause.

Mr. IRVINE: I do not know whether the hon. gentleman wants a seconder for his motion, but if he does, I shall be very glad to second it. I, of course, would rather see the Dominion government assume the whole responsibility, but if they will not do that, I would like to see them go as near as possible to it, with the sole object in view of making the act operative and ensuring its adoption in every province.

The argument of the hon. member for East Calgary as to what the provincial legislature had done was not a very convincing argument why this bill should not be altered. The argument he quoted was advanced in the provincial legislature, and if I were a member of that legislature, presumably I would be putting up the very same argument, but being here, where we have a chance of making the bill really operative, it is admissible to try and persuade the government to assume a greater share of financial responsibility. While it is true that as a rule it is better to have half a loaf than no bread, this is a case where the provinces may pay for the whole loaf and get no bread at all, for either this bill will increase the expenditure to the provinces, or it will compel the provinces to pay without receiving anything at all pro-

viding they do not adopt the act, or else we are passing a bill which will do nothing at all. One of these three things we are doing. I would very much rather see the government adopt the whole responsibility, but in view of the decision of the government not to do that, I would urge them to adopt the suggestion of the hon. member for North Winnipeg and increase the federal share by twenty-five per cent. I have therefore very much pleasure in supporting the motion of my hon. friend for South Vancouver.

Mr. McPHERSON: I regret that the hon. member for Vancouver South made that motion. It might be dangerous to make such a motion, however, when the result sought might be attained in another way without any risk of infringing on the rules of the House. If it is the purpose of the House to increase the amount of the federal grant, I would like to see the matter left in abeyance just now.

Mr. BROWN: With reference to the point of order, does the Chairman rule that this motion is in order?

The CHAIRMAN: Referring to May's Parliamentary Practice, thirteenth edition, page 544, I find the following:

> No augmentation of a tax or duty asked by the crown, as has already been explained (page 511), can be proposed to the committee, nor tax imposed, save upon the motion of a minister of the crown.

Therefore I rule that the amendment moved by the hon. member is not in order.

Mr. LADNER: Before you give a ruling, Mr. Charman, I think it is usual to have some discussion.

The CHAIRMAN: Beauchesne, page 43, rule 170, says:

> The committee of supply cannot increase a grant which has been recommended by a message from the Governor General. It is also irregular to increase any item in a resolution. But any motion to reduce a grant will be always in order.

Mr. LADNER: The point I wish to make, as a reason for introducing the amendment, is that this clause is merely permissive, that the governor general in council may enter into an agreement. It is not a tax or a grant of money. It does not become such until the agreement is entered into, and the governor general in council is not obligated by the statute. Although the applicant may fulfil all the conditions required to obtain a pension, the governor in council is not obligated by the statute to enter into the agreement.

Mr. CANNON: Well, we are. That is the point. We are not legislating for the lieutenant governor, we are legislating for ourselves. It is permissible for the lieutenant governor to accept or reject the proposition. The governor in council may enter into an agreement with any province. The point of order as put forth in my hon. friend's argument is very ingenious. It is true the word "may" occurs in the first line of clause 3. The clause reads as follows:

> The governor in council may make an agreement with the lieutenant-governor in council of any province for the payment to such province quarterly of an amount equal to one-half of the net sum paid out during the preceding quarter by such province for pensions.

And so on. The word "may" applies to the agreement; that is the will of the province to enter into an agreement, but the moment the province expresses its willingness to enter into an agreement, then this government is bound to pay. as provided in clause 3

Mr. LADNER: May I ask my hon. friend, how could it become a tax or imposition until a contract is made?

Mr. CANNON: There is no doubt about that. My hon. friend is perfectly right. We are not going to be bound to pay anything unless an agreement is entered into. The clause says "whenever an agreement is entered into;" otherwise we would not need any clause. As long as there is no agreement there is nothing for us to do. We are legislating now as to what will happen the moment the agreement is entered into, and the government suggests that after an agreement is entered into our liability or obligation will be to the extent of fifty per cent. The amendment proposes that it shall be seventy-five per cent. There is no doubt it is increasing our financial obligations, and, as the Chairman pointed out, it is out of order.

Mr. LADNER: Will my hon. friend relate the rule to this particular clause? The rule clearly is one that relates to a specific grant or tax. That is the statute creating it in itself creates the obligation. The statute creating this provision does not create the obligation, and to that extent I make the distinction between this case and the one contemplated by the rule. This clause is a permissive clause, permitting the government to enter into an agreement, the details of which are not even contained in it. Until the government enters into the agreement there is no tax or obligation.

Mr. CANNON: There is no doubt this parliament has no authority to force any province into this scheme.

Mr. ARTHURS: Or to make payment.

Mr. CANNON: Or to force the provinces to make payment. There is no doubt about that, but clause 3 which is now under consideration meets that situation exactly. In view of the fact that we cannot force the provinces into an agreement, we say the governor in council may enter into an agreement with the lieutenant governor of any province. We cannot say that he will, because we cannot force the provinces to make the agreement. There cannot be coercion. It can only be permissive.

Mr. ARTHURS: What does the word "may" mean?

Mr. CANNON: My hon. friend says this legislation is simply legislation to allow for something that might happen; but the second factor of the clause is not to be lost sight of, and that relates to what happens after the agreement is entered into.

Mr. LADNER: Does the rule contemplate such a case as this?

Mr. CANNON: If the agreement is entered into the clause becomes applicable. Otherwise why should we have any clause?

Mr. BOYS: I rise to a point of order. This discussion is out of order. The decision of the Chair has been given and the only remedy now is to appeal from the decision of the Chair.

Mr. CANNON: The Chairman gave a decision and I understood he withdrew this decision to give my hon. friend the right to speak, I have the same privilege as my hon. friend from Vancouver South and if he admits a decision has been given, all right.

Mr. BOYS: I am appealing to you, Mr. Chairman. You gave your decision and the only relief is to accept the decision or to appeal from it.

The CHAIRMAN: The hon. gentleman is perfectly right. I gave my decision and this discussion is out of order.

Mr. ARTHURS: I move that this clause be changed, that the Dominion accept one hundred per cent responsibility for the obligations under this act and that the expenditure be not more than $12,000,000 for the present year, the amount stated by the minister.

Mr. McGIBBON: I have much pleasure in seconding the motion. I desire to point out, as I said a year ago, that I am in favour of the principle of the bill—

The CHAIRMAN: I rule that the motion of the hon. member for Parry Sound is out of order for the reasons I have given.

Mr. ARTHURS: The minister stated that His Excellency had been made acquainted with the subject matter of this resolution, and he also stated that $12,000,000 would be required. My motion is that the Dominion accept full responsibility for the $12,000,000. There is no increase—

Mr. CANNON: I understand the Chairman has given his decision.

The CHAIRMAN: Yes.

Mr. McQUARRIE: While I do not propose to discuss your decision, Mr. Chairman, I may say that it is quite contrary to the view held by a very high authority, namely, the Premier of British Columbia, who criticised us very severely on the hustings because we had not put forward such amendments when the bill was in committee.

The minister has stated that this bill was endorsed by the electors. I do not think he is correct. Speaking for my own province, there was not a single constituency where this particular bill was approved. It is true that the principle of old age pensions met with approval; I do not contend to the contrary; I suppose that is true of the whole Dominion. However, so far as British Columbia is concerned, the people did not endorse the present proposal.

Mr. MILLAR: In what form did they show approval or disapproval?

Mr. McQUARRIE: I take it that my statement is justified by the electoral results in British Columbia. I attended a great many meetings where this bill came up for discussion, and the audience made it very clear that they did not approve of it at all. in fact at many meetings where the question was asked, is there any one present who is in favour of the old age pensions bill which was proposed at the last session of parliament, not one person stood up to say that he or she approved of it.

Mr. HEENAN: But, Mr. Chairman, let me point out to the hon. member that the legislature of British Columbia has accepted this bill.

Mr. McQUARRIE: And the premier of that province is the same hon. gentleman who criticised us for not moving amendments to the bill last session! As a matter of fact I think it is no secret that he hastened to bring in the bill because he expects an election very shortly.

Mr. HEENAN: If every other province takes the same course on the eve of an election, won't we soon have old age pensions throughout the Dominion?

Mr. McQUARRIE: I remember a few evenings ago the Minister of Railways when asked about his province stated that it would be very wrong for any legislature to bring in such a bill before parliament enacted this legislation. I understand from the minister that the government anticipates this bill will be adopted by all the provinces. The minister nods his head in approval. If that is so, it is quite clear that the government expects to pay 50 per cent of the cost of old age pensions, and if we pass this bill we admit our responsibility to that extent, which will mean about $12,000,000 annually. It may be that all the provinces will not come into the scheme, in which event the Dominion government will be contributing to some of the provinces towards old age pensions while to others it will not pay anything. Now, while I am entirely in favour of the Dominion assuming the whole responsibility,—

Mr. ARTHURS: Hear, hear.

Mr. McQUARRIE: —that is, paying 100 per cent, as suggested by my hon. leader, I feel that in any event we should live up to our responsibilities and in this bill, instead of stipulating for the making of agreements with the provinces, we should provide for the payment of 50 per cent. I regret very much that the minister has intimated that he will not consider any amendments to the present bill. I think the minister himself admits that the bill is not perfect.

Mr. HEENAN: That is right.

Mr. McQUARRIE: Well, how can it be improved if he will not accept suggestions, even from his own supporters? As I say, I am in favour of the Dominion government paying 100 per cent of the cost of the old age pensions; but if that is not done, let us provide in this bill for the payment of 50 per cent to all the provinces so that the old people throughout the country will at least receive ten dollars a month.

Mr. McGIBBON: Mr. Chairman, I wish to say, as I have said before, that I am in favour of the principle of paying proper old age pensions. I wish to say also that I am not in favour of this bill, I never was and I do not ever expect to be, as long as it remains in its present form, for the following reasons: In the first place, I claim that in this or any other country those who are responsible for collecting the revenue are responsible for spending it; in the second place, I claim that we have no right to pass on obligations to the provinces without consulting them; in the third place, I say we have no right to enact legislation which we know beforehand, and which it is quite evident on the face of it, is going to be a great disappointment to the people of Canada. There is no question about that. Under this bill some old people will get nothing unless their province comes into the scheme—that is inevitable; others possibly may get $20 a month, which of itself is insufficient. Then there will be that great disparity all the way from twenty to nothing, or from nothing to twenty. This is bound to create dissatisfaction and animosity between people living in the same province.

I think, Sir, we are to-day paying dearly for the lack of foresight on the part of this government in not calling the provincial premiers together and agreeing on some scheme before introducing this bill. It is quite evident to any man who reads the newspapers that the provinces are holding back, and will continue to hold back, leaving the full responsibility on this parliament and the country generally. In view of the Solicitor General's statement a while ago that this proposal is not being forced on the provinces, I would ask the minister how he is going to apply sections 10, 11 and 12. This defect in the bill of itself will put unequal obligations on the provinces. I think the bill has been ill conceived and ill drafted, and if it goes into effect its application will be unfair.

I would say to the minister that as he has passed through an election, and probably there is not another in sight for three or four years, this bill should be withdrawn in order that it may be reconsidered and redrafted, and that in the meantime he should get in touch with the provincial premiers with a view to coming to some common agreement whereby this parliament and the provincial legislatures could pass legislation which at least would be workable. I look upon this measure, Sir, with considerable anxiety. The old people of this country are undoubtedly looking to this parliament for redress, and I am just as certain as I am standing here that they are going to be bitterly disappointed in practically every aspect of this bill. It is essential that an old age pensions scheme should be uniformly workable in every province. Under this measure you will have some people getting nothing while others are getting five, ten and fifteen dollars per month. That condition of affairs prevailing from the Atlantic to the Pacific is bound to stir up dissatisfaction with this legislation. I am in favour of proper legislation, but this is both ill considered and badly drafted. How will the minister make sections 10, 11 and 12 applicable in view of the Solicitor General's statement a few minutes ago?

Mr. HEENAN: I prefer to wait until we get to those sections of the bill.

Mr. McGIBBON: The question is vital to the effect of the bill as a whole.

Mr. HEENAN: Those sections merely provide a method of arranging matters between the provinces in the case of removal from one province to another. It is an accounting problem as between the provinces and has nothing to do with the principle of the bill.

Mr. McGIBBON: But the Solicitor General admits that you cannot enforce it.

Mr. CANNON: A distinction must be drawn between the powers of the federal government to legislate and the ancillary powers which we are exercising in order to put into force legislation within our own jurisdiction. If my hon. friend will examine that point with a colleague of his who belongs to the legal profession he will find that I am right.

Mr. McGIBBON: How will one province collect the money from another without the machinery to collect it?

Mr. CANNON: The machinery will be organized under the provisions of this bill.

Mr. McGIBBON: But the Solicitor General admits that the province will not have power.

Mr. CANNON: Certainly the province will have power. The moment the province joins the scheme a law will be passed by the provincial legislature and it is to be assumed that the legislators in that province will have sense enough to see that their legislation is put into proper effect. As my hon. friend knows, in law, omnia rite presumuntur.

Mr. KAISER: I am certainly in favour of doing something for the aged. But I want to get clearly in my mind exactly why the government seeks to associate itself with the provinces in this matter. It has been suggested that the necessary machinery already exists in the provinces and the Minister of Labour (Mr. Heenan) has referred to the compensation board of Ontario and the mothers' allowance board, which organization, he says, might undertake to administer the scheme. I do not know whether the minister has ever had very much experience with the compensation board of Ontario, but having myself been associated with the workingmen of a great industrial city for a number of years I have had to follow quite closely the operations of this organization, and I doubt whether it could possibly handle a matter of this kind. Has the minister ever asked that board whether it would take on this additional work without having to set up just such machinery as this government would have to organize if the act were administered altogether federally? Without any desire to be discourteous I must say that the suggestion in regard to the mothers' allowance board is another absurdity. The work is entirely different. The nearest parallel I see to a proper administrative body under this law would be the soldiers' pensions board. Some central organization such as that would be simple and would cost less to the Dominion.

Mr. McPHERSON: I rise to a point of order. Half an hour ago I had the floor and was endeavouring to discuss section 3 of the bill, and a dozen or more hon. gentleman got up to ask questions. I have been waiting patiently for an opportunity to continue my remarks.

Mr. KAISER: I said I wanted to ask the government a question but I did not tell anybody how much more I had to say. I have already asked one question of the minister and there are one or two more that I want to put to him. It is said that we are going to contribute 50 per cent of the cost of the scheme; that is to say, if it costs $24,000,000 we are going to pay $12,000,000. If the government are really sincere would it not be better for them to make a start independently of the provinces? It would be infinitely better, it would be more satisfactory to the people at large, if this government said, "Instead of paying $20 a month and depending upon the provinces to join, we will inaugurate the scheme ourselves, put it into force at once, and pay $10 a month." Let us start somewhere. You could pay $10 a month the first year, if it were felt at the next session that we should pay more, then we could increase the amount, and if the provincess wanted to join there would be nothing to hinder them from coming in. The government are bringing in here a bill in which there are so many "ifs" and "ands" and "buts," so many qualifying conditions that it is the honest opinion of the people that they have no intention of putting it into operation. I really believe that to be the feeling of the country. There are a good many men in the government who would like to see the act operative, just as there are others on this side. I gave this matter my attention for many years before coming here and I still believe that the old people of the country should be taken care of. But I do think that the government ought to make a start independently from some point, however small the amount they might pay.

Mr. McPHERSON: If the hon. gentleman is through I will now resume my discussion of the section under consideration. I am not particularly averse to an increase in the proportion the Dominion should pay, if that is at all possible, but I am opposed to the Dominion paying 100 per cent of the cost. It seems to me that the most satisfactory results could be obtained by means of legislation such as is now proposed, whereby the coöperation of the provinces can be secured. The provincial government is in closer touch with those for whom the legislation is designed than a central body under the Dominion government could possibly be. For that reason I am in favour of the provinces contributing to the expense of maintaining the pensions administration. As to the amount that shall be paid, if more could be done along that line than we are able to do I should be glad to see it done. But on the other hand if that cannot be done, I do not think there is much reason for worrying in so far as those provinces are concerned. It would be good politics and good business on the part of those provinces who have identified themselves with social welfare legislation to intimate at this stage that they would not take the matter of old age pensions up unless a larger percentage was paid by the Dominion. I submit that several of the local governments will take up old age pensions even if they are only placed on a fifty-fifty basis, but they would be much more gratified if the House would increase the federal percentage.

The hon. member for North Winnipeg (Mr. Heaps) says there is an absolute difference between paying fifty per cent of the cost of such a scheme and paying fifty per cent with the cost of operation added. But that could be met by the House increasing the percentage paid by the Dominion if it saw fit to do so.

As to the discussions with respect to this matter which took place during the last election, my opinion is that the public understood the question at issue was not the amount the Dominion or the provinces should pay but whether the federal House should pass this legislation and allow the provinces to come in under it, or whether they should wait until the several provinces agreed upon an old age pensions scheme which could then be adopted by the Dominion. I submit that the present plan of passing federal legislation and letting the provinces come under it one by one, if they feel so inclined is much speedier than the method of summoning the nine provinces together and getting them to agree upon anything. When we see how long it takes this House to agree upon even one section of this bill, you can form some idea of the task ahead of you when you seek to get nine provinces to agree upon any particular bill. I think it would be an almost impossible task. If any change is made in this section I submit it should take into consideration the cost to the provinces of administering this legislation.

[Mr. Kaiser.]

Mr. NEILL: I will not imitate the actions of other gentlemen as to whom I have complained that they discussed the whole principle of the bill on one section, a thing they should not have done. But I have here an amendment, Mr. Chairman, upon which I should like to get your ruling. I think it is in order, but if not I must of course submit to your ruling. However, I think it will give effect to the evident desire of the labour members of the House and perhaps of some hon. gentlemen opposite as well. I should like to test the feeling of the House as to whether it is prepared to go to the extent of fixing a greater proportion than fifty per cent in our contribution to the provinces. The amendment recently proposed by the hon. member for Vancouver South (Mr. Ladner), and quite properly rejected, was rejected on the ground, the well known ground that it violated the rule which says that no private member shall introduce a bill or move an amendment to a bill which increases the public expenditure to any appreciable extent. It has been held that small expenditures involved, such as the payment of fees etc., would not be considered a violation of this well known rule, but the Chairman held that it was not in order for any hon. member to increase specifically the amount mentioned in this section. What I propose to do, however, is I think somewhat different. I propose to strike out the words "equal to one-half" in line 22, and insert the words "not exceeding seventy-five per cent." That will not be compulsory or mandatory at all, and cannot be held to increase the expenditure of the government because under such an arrangement they might give fifty per cent, seventy-five per cent or even forty per cent. As far as that goes I think the provinces would take care that it was not less than fifty per cent at least. The section would then read:

> The governor in council may make an agreement with the lieutenant-governor in council of any province for the payment to such province quarterly of an amount not exceeding seventy-five per cent of the net sum paid out—

And so on. I think that would cover the point of order. We are not committing the government to an expenditure of seventy-

five per cent at all, but we are leaving it permissive for them, if they so please, to make such an arrangement with the provinces.

The CHAIRMAN (Mr. Marcil): In view of the ruling given this afternoon by the Deputy Speaker, and in view of rule 170, as set out at page 43 of Beauchesne's Parliamentary Rules and Forms, I do not think the amendment is in order. Rule 170 reads:

> The committee of supply cannot increase a grant which has been recommended by a message from the Governor General. It is also irregular to increase any item in a resolution. But any motion to reduce a grant will be always in order.

Mr. NEILL: Before you give your decision, Mr. Chairman, will you take into consideration the point made that it is not compulsory but entirely permissive for the government to take such action? They might even lower the amount.

The CHAIRMAN: My opinion is that it opens the door to a grant of seventy-five per cent and that is beyond the intention of the resolution. Therefore, unless some other hon. gentleman wishes to speak, I shall have to declare the proposed amendment out of order.

Mr. LADNER: Why not overcome this impasse or difficulty? I would ask the Minister of Labour himself if he would not move that the words "one-half" be struck out, and the words "seventy-five per cent" be substituted therefor.

Mr. HEENAN: What I am afraid of is that the old age pensions bill may be killed through the kindness of its friends. The old age pensions bill was defeated in the Senate last session because of the fact that it was estimated that it would involve an expenditure of approximately twelve million dollars.

Some hon. MEMBERS: No, no.

An hon. MEMBER: No, but because the provinces were not consulted.

Mr. HEENAN: How does my hon. friend know that? I submit, Mr. Chairman, that the chances of this bill going through the second chamber this year will not be enhanced by adding one-third to the proposed contribution. If the bill is allowed to remain in its present shape it will have a better opportunity of passing the Senate because the people have pronounced on it. Furthermore, if anything should unfortunately happen to the measure in the other chamber it will raise the question as to how many times the upper house can throw out a bill which has been passed by the House of Commons. This is not going to be the last word in old age pensions legislation for Canada. If any defects are revealed in actual operation such defects can be cured by amending the law.

Mr. LADNER: Does the minister mean by that that the government might be disposed to consider the federal authority assuming the entire obligation?

Mr. HEENAN: I will explain what I mean. One hon. member stated, just as a member of the upper house did last session, that this scheme was going to cost Nova Scotia so much money. He seems to take it for granted that everyone in Nova Scotia who is over the age of seventy years will come under the bill. I submit there are quite a number of people over that age in Nova Scotia who will not come under the bill at all because they have a certain annual income. We can all guess, but no one knows just how many people will come under this scheme in British Columbia, Ontario or any other province, and after we get the bill in working order we can amend it in the light of the experience gained. Consequently I cannot agree with my hon. friend because of the fact that I am more desirous of getting this bill on the statute books than of doing anything else.

Mr. EDWARDS (Frontenac): I would like to ask a question. The minister says there is a better chance of getting this bill through the Senate with the 50 per cent clause than if we made it 75 per cent. I see him nod his head in assent. I wonder if he will again nod his head when I say that there is a better chance of getting the provinces to come under this bill if the federal share is increased to 75 per cent.

Mr. HEENAN: Will you let me answer that question?

Mr. EDWARDS (Frontenac): Certainly; that is what I want you to do.

Mr. HEENAN: I fear that my hon. friend as well as other members of this House have forgotten for the moment that this burden of caring for the old, indigent people is at present borne by the provinces alone. Surely if that is the fact the provinces will accept 50 per cent of these expenses in order to lighten their load to that extent. I take it for granted that, as good business men, the members of the provincial governments will welcome a contribution of 50 per cent of that cost which they now pay themselves. It may not be so welcome as a contribution of 60 per cent or 90 per cent, but if you ask a man to-day if he would like $40 a month for the rest of his life he will nod his head. If you ask him to-morrow if he would like $50 a

month, he would say "Yes" again. But if you ask a man if he would rather have $20 than nothing, I think he would take the $20.

Mr. WOODSWORTH: The minister does not see his way clear to assume a larger proportion of the cost, and possibly that is asking too much off-hand. It does seem, however, from the discussions which have taken place in this House that there is a very general disposition to advance the proportion, to be granted by the Dominion government. I think it would not be too much for us to ask the minister to allow this particular clause to stand in order to give the cabinet a chance to reconsider it, because we are all anxious that an effective old age pension scheme should be placed on the statute books. I do not want to reiterate what I said the other day with regard to this matter, but the minister has just suggested that some of the provinces would come in anyway, although they would rather have a larger contribution from the federal government. I recall a conversation which I had some time ago with a very prominent Liberal of Nova Scotia, a gentleman who was formerly a member of this House, and he was very keenly interested in the success of the Liberal measures presented to the House. He told me that if only 50 per cent were given by the federal authorities it would mean that his province could not possibly take up the measure, and I have had that situation presented to me by people from different parts of the country. Under these circumstances it does not seem unreasonable that we should ask for conditions which would ensure this becoming a successful measure. As I said the other day, the circumstances connected with this bill have materially altered since it was presented a year ago. The Conservative party is committed to the old age pension idea, and has promised to endorse this bill if it cannot get something better, while the other sections of the House feel the same way. Looked at from the standpoint of getting the bill through this House, therefore, the government is perfectly safe. While it may be technically correct that an amendment such as was offered may not be acceptable, there should be some way by which the House could give expression to its desire to increase an amount of this character, or at least to the idea that it would be well for the government to do so. That appears to be an impossibility and it only remains to us to urge upon the government that the matter be reconsidered.

Not only have conditions altered in this House, but they have altered in the country as well; when the government introduced the measure twelve months ago no one knew how it would be received. It was received with greater approval than anyone could have anticipated and, as has been said again and again, it was one of the main planks in the platforms as put forward in the hustings by both old political parties. Undoubtedly the public is ready for it. As to the Senate, if they are going to throw out a 75 per cent bill they will undoubtedly throw out a 50 per cent bill also. I do not think the percentage is the trouble; there was nothing to indicate that that was the fact last year, in fact as I recall the debate in the Senate it was the other way about, and many hon. gentlemen thought it should be a federal measure. I am not at all sure that it might not meet with a better reception from the Senate if the figure were made higher. So I would suggest, Mr. Speaker, as the only possible thing left for us to do in the circumstances, that this clause be allowed to stand until the government has a final chance to reconsider the matter in the light of the promised support from all sides of the House.

Mr. CANTLEY: It perhaps is needless for me to say that in company with practically all other members of this House I am in favour of an old age pension scheme for Canada, but I am in favour of a federal scheme, which I claim to be the only fair and honest way of dealing with this question. The hon. member for Queens-Lunenburg (Mr. Ernst) has pointed out that if this scheme now before the House were adopted it would mean a contribution by the province of Nova Scotia of probably $1,500,000. That may be excessive, but I am quite certain that the contribution would exceed $1,000,000 at least, and we in Nova Scotia are not in a position to-day to make that expenditure in conjunction with the federal government.

Mr. KING (Kootenay): Are you not providing for these people now?

Mr. CANTLEY: We are providing now for several classes of our people in ways which cannot be abruptly discontinued if at all. We have homes of different kinds in practically every county, built at a very considerable expense, and in addition we have hospitals for the treatment of tuberculosis and other humanitarian institutions which are certainly not behind those of any other province in Canada. These impose burdens which are as great as we can bear, and we cannot add to them by $1,000,000 or $1,250,000 yearly, particularly in view of our last year's deficit of practically $1,000,000.

Mr. KING (Kootenay): This will relieve you of part of that burden.

Mr. CANTLEY: No. The minister must give us credit for sufficient intelligence to know what is best for ourselves. If the government will bring down a federal measure we will be glad to have it and I would suggest that the bill be remodelled in that direction. If the other provinces care to participate with the Federal government, regulations looking to that can easily be made, and thus the pensions paid to the people of those provinces could be increased.

There are one or two other points to which I would like to refer. In Ottawa last year was held a meeting of all the premiers of the different provinces to deal with an altogether different problem. Might I ask why the government did not consult these premiers at that time in regard to this matter? They were all here; the bill was before the House and had not then gone to the Senate. The government could then have found out the will of the several provinces through their premiers at that time. I am not going to deal with that any further, but I want to point out that this bill as brought down if enacted will prove an absolute injustice to some of the provinces. Take Nova Scotia and Prince Edward Island, for instance. Those provinces will, I take it, not be able to take advantage of this scheme, but would be taxed to provide old age pensions for men and women in other provinces that are better off than they are. It is a clear case of coercion —nothing short of it. Talk about maritime rights—how can you defend that? I ask the minister to be good enough to withdraw the bill, and remodel it to meet the objections that several hon. members have pointed out.

Mr. McLEAN (Melfort): It appears, Mr. Chairman, that a great many members are concerned over what the provinces may say and do about this measure, but they have not yet given the provinces an opportunity of saying what they intend to do about it.

Some hon. MEMBERS: Yes.

Mr. McLEAN (Melfort): They have been talking about what the premiers of the different provinces said, but they are not willing to wait and see what the legislatures of these provinces will do.

If I read this bill correctly, there is nothing in it to compel any province that wishes to come in under this scheme to pay ten dollars a month for every person over seventy years of age. I do not like to take up sections before we come to them, but section 9 provides that the maximum pension payable shall be so much. It may be that some of the provinces would not desire to pay that maximum pension, and I submit to you, Sir, and to the House that it is better for the poor people in any province to get some help in the immediate future, rather than to have to wait for a long time until the provinces are able to give the maximum amount of assistance mentioned in this bill. When the federal government granted assistance to the provinces in the matter of building highways, they did not wait until all the provinces had agreed to all the terms of that legislation. They passed the measure and made the money available, and then left it to the provinces to come along and say: We are prepared to take advantage of this legislation, and we ask you now for a contract to enable us to spend the money. The principle is exactly the same. That policy depended on the provinces taking advantage of it, and it is so in this case. All that this legislation proposes to do is to assist the province in carrying some of its legitimate burdens. Some of the provinces may take advantage of it, and others may wait a while and see how the scheme works out, but sooner or later the people of each province concerned will have to decide whether to take advantage of it or not, and when the people of the province and their legislature have decided that point, they will then have to decide how much assistance they are going to take from this government on a fifty-fifty basis. I think these two points have been overlooked.

Furthermore, the old people throughout this Dominion are not going to thank their friends for the assistance they are given if that assistance is expressed in a form of delay that will exasperate and injure their prospects, rather than improve them.

Mr. BLACK (Yukon): The Minister of Labour, like all other hon. members who have spoken in favour of this bill, has expressed himself as earnestly desiring that the old people of Canada shall get the advantage of an old age pension as provided for by this legislation. Then why not accept the suggestion made by the hon. member for New Westminster a short time ago, and amend the bill so that the federal government will pay in any event fifty per cent of the maximum provided under this bill. Then if the province chooses to come in and add an additional amount to that pension, the old people of the Dominion will be just that much better off. But if the bill goes through as it is, and the province does not see fit to come in under its terms, the old people get nothing. I think the provinces would be more apt to come in if the government set the pace by paying fifty per cent of the amount provided for in

this bill. That is the test of the government's sincerity in this matter. Let them go on and give the old people in any event the amount they are prepared to give if the provinces coöperate.

Mr. IRVINE: I would like to urge upon the Minister of Labour and the government the suggestion made by the hon. member for Winnipeg North Centre. I really cannot see why we should be discussing a clause of this kind at all if, on the one hand, we cannot move to amend it in any way, and if the government refuses to accept any suggestions with regard to it. The Minister of Labour, under those circumstances, might just as well pass the bill in his own office and not bring it down here at all. In view of the very general agreement that the amount of the federal contribution should be increased, I would urge the Minister of Labour to allow the bill to stand until it can be redrafted in the light of the discussion that has taken place here both this afternoon and when the principle of the resolution was under discussion in committee. I hope that the government will see fit to increase the federal grant by twenty-five per cent.

Mr. ESLING: During the recent campaign I am quite sure that the Liberal speakers did not stress the fact that there would be relief for the aged provided only that the provinces agreed to the scheme. On the contrary, they all made it very clear that those over seventy were to receive a pension of $240 a year. The father of the bill, the Minister of Health, for instance, did not get up in his district and say: We are going to give you an old age pension provided British Columbia comes in under this scheme. No. He simply told them: Our government is giving you an old age pension. When the government brought down this bill, it evidently expected, or hoped at all events, that all the provinces would come in. If the government did not have that expectation, we are justified in concluding that they did not want this measure to become operative. I would ask the Solicitor General or any of the ministers from the province of Quebec if they are quite sure that Quebec would be willing to bear its proportion of the expenditure, which amounts to $3,069,000. Or take Ontario. Its proportion—I am taking these figures from the last census, which gives the number of people over seventy years of age—would be nearly five millions.

Mr. HEENAN: Does the census show that those people over seventy have not got an income of over $125 a year?

Mr. ESLING: No, the census does not show the number of people who would come under the benefits of an old age pension scheme, but in 1924 there was a special committee appointed by this government to go into the whole question of old age pensions, and that committee reported back to the House that about forty per cent of the people in each province over the age of seventy would come under the benefits of this legislation. It is on that report that I am basing my figures.

Mr. BANCROFT: Do you know how the Conservative party voted in the House at that time on the report of that special committee?

Mr. ESLING: It does not make a particle of difference what happened in the past. If this government had to answer for all its sins in the past, I do not know where they would get off. Prince Edward Island would have to contribute $256,000; Nova Scotia, $1,188,000; New Brunswick, $717,000; Quebec, $3,069,000. I would ask the ministers from Quebec, are they confident that Quebec will come in under this scheme? If they are not, we shall have to come to the conclusion that they are not sincere when they say they want this bill to pass. Ontario's contribution would be $4,904,000; Manitoba, $500,000; Saskatchewan, $500,000; Alberta, $330,000; British Columbia, $500,000.

Mr. VALLANCE: What are those provinces paying now?

Mr. ESLING: It does not make a particle of difference what they are paying now. We are discussing this particular scheme, and the government expects the provinces to come in and coöperate. The special committee that was appointed in 1924 not only discussed the advisability of bringing in an old age pension scheme in the Dominion, but it viewed the whole question from every phase, and considered similar legislation in force in other Dominions. That committee expressed the conviction that the only way to have a bill that would be uniformly acceptable would be to have the provinces coöperate. My opinion is that if you do not want the provinces to coöperate, then you do not want the bill to pass. The committee urged that there should be a conference of premiers to agree upon uniform legislation, and unless you agree upon such legislation you are simply postponing the day of the operation of the bill. Your own Prime Minister shares that view. On the receipt of this report he said:

> It is all important that before any action be taken by the federal administration we should understand very fully and finally the attitude which the several provinces will take on this important question.

I do not know that you could have anything plainer than that. Has the Prime Minister interviewed the province of Quebec or the province of Nova Scotia? If you are in earnest about this and do not wish to continue to fool the people, why not call the premiers together now—it is not too late—and get a uniform measure? The present course of the government will entail a lot of expense on the part of a few provinces which will accept the bill, in the shape of creating administrative machinery, all of which will have to be cast aside. When you have laid down the terms and conditions on which the provinces may accept this bill, if a province does not want to accept it has simply to meet the views of any delegation which holds other views. Take British Columbia; they will go to our premier and say, "We think you should have a sixty-five age limit", and the premier of that province, an old and tried politician, will say, "you are perfectly right, I am going to put in the sixty-five year age limit". What happens? The operation of the bill is deferred for another year. He is pleasing those who want the sixty-five year age limit, and he knows that he is not going to burden British Columbia with an expenditure of half a million dollars. Our leader has said that this should rather be a federal responsibility, and if you are in earnest and do not want a lot of discussion, which would mean the postponement of the measure, then you should make it a federal bill and expunge this clause.

Mr. HEAPS: We should not rush this discussion too rapidly. It is nearly six o'clock, and I think the government should have two hours to consider this question. I feel keenly on this matter, because I believe the whole operation of the bill hinges upon the clause we are now discussing. The government has been urged by several members of the House to amend this section. I know that there is a feeling among my friends opposite in favour of a larger contribution from the federal treasury. I fully realize the position of the minister when he says that the Senate may be an obstacle if we insert a provision in the bill that the government shall contribute seventy-five per cent, but I would like to impress upon him that whilst there is one obstacle in the Senate to the seventy-five per cent provision there are nine other obstacles in the country which will not accept the measure favourably unless that provision is inserted. I should like to have this percentage provided for in the bill, have the provinces coöperate with us, and take chances of trouble in the Senate. I am not afraid of the action of the upper chamber, because after the pleasant things which were said about them and the way they acted they will probably understand the situation. I think the Senate is to a certain extent susceptible to public opinion, and will realize that the whole of the people of Canada are anxious to have this measure placed on the statutes of the Dominion.

The situation in the House in regard to this measure is not altogether edifying, as far as parliamentary institutions are concerned. We have a majority of members in favour of amending the bill in a certain way, and yet these gentlemen cannot give expression to their views on this particular occasion. I believe if we had a vote on this question, and if every member were free of the whips and able to express a candid opinion, the seventy-five per cent provision would carry by an overwhelming majority. If that is the case, and if, as I suggest, the Senate is also susceptible to public opinion, why is the government not agreeable to test the feeling of the House on this question? I do not see why they should object to that. They have not said why they object to such a provision. The only reason given is that they would run the risk of the measure being defeated in the other chamber if this provision were inserted. I would urge the government to let it stand, because if they do not I think some ways and means will be found of testing the feelings of the House. I do not think it can be avoided. I believe with the lawyers we have in the Labour and Progressive groups we will be able to find some means of overcoming the difficulty which prevents the House giving a free expression of opinion. Can I be furnished with some reason why the government objects to seventy-five per cent as against fifty per cent. If I were a member of the Liberal party at the present time I would urge for a larger contribution, in order to make sure that the bill would become operative. I cannot understand why the government object to that. If the bill becomes law in its present shape, there may be many provinces in Canada where it will not be put into effect, and the government will be assuming a responsibility which might be very disastrous for them at the next election. During the last election nothing appealed more to the people of the country than the old age pensions. I do not think there was a constituency in Canada where the question was not discussed from every angle and where the proposition of an old age pension did not meet with the approval of the people of the Dominion. The government is coming forward with the same

bill, and up to the present time only one province has approved of it. In the province from which I come I do not think that we are likely to have an old age pension bill put into effect if it is placed on a fifty per cent basis. I am anxious to see the bill go into effect, and that is the only reason I am urging my views upon the House. I think the least the government can do is to allow hon. members to express their opinions through a vote. If the motion cannot be made by a private member, I think one of the ministers should move to reconsider the measure, so that hon. members may have an opportunity of expressing themselves, and I feel sure under those circumstances the House would approve of a larger contribution than is proposed in this particular clause.

Mr. CANNON: Mr. Chairman, in answer to the hon. gentleman, I wish to say that it is not the intention of the government to curtail discussion in any way, but this parliament, like any other parliament, is necessarily managed according to certain well known rules, and according to those rules the motions moved this afternoon are out of order, and have been so declared by you, Sir.

This afternoon we have witnessed an extraordinary spectacle. On the one hand our friends who belong to the Tory party advance certain reasons why we should pay 100 per cent, and on the other our friends who belong to the Alberta party and the Labour party suggest that we should pay 100 per cent but for other reasons. Only a short time ago we had a vote in this House. The Tory party voted against the government because we had not reduced taxation sufficiently, and the Alberta Progressives voted against the government because we had not lowered the tariff sufficiently. Suppose we accept the suggestion made this afternoon, we would increase the obligations of the federal exchequer. Where would we get the money to meet them? Will the gentleman who are sitting opposite me contend, on the one hand, that we should increase the obligations of the federal treasury and, on the other, reduce taxation?

Mr. HEAPS: I suggested this afternoon that if the 10 per cent had not been taken off the income tax there would be ample funds to pay old age pensions.

Mr. CANNON: Exactly; and my hon. friend voted against the government because the cost of living had not been decreased—the tariff had not been reduced. How can we lower the tariff, thus reducing our revenues, and at the same time assume larger obligations? That is ordinary common sense.

[Mr. Heaps.]

How can this government pay millions of dollars to the people on the one hand, and on the other reduce the national revenues?

Mr. MANION: I thought the hon. minister and his party stated throughout the general election that by lowering the tariff they had improved the industrial situation throughout the country and increased the national prosperity.

Mr. CANNON: There is no doubt about that, but that is one angle of the question which I can discuss with my hon. friend on another occasion. What I want to make as clear as possible this afternoon is that we are asked to assume under this bill a larger liability, and we are asked to do so by two parties, one of which is insisting that we reduce taxation, and the other that we reduce the tariff. I say there is no logic in that attitude.

The opponents of this bill apparently are not voicing the interests of the federal government or of Canada as a whole, but the interests of the provinces. This is a federal parliament. Let us look after the interests of the Dominion as a whole. The hon. gentleman from British Columbia who spoke this afternoon asked me to express my views as to whether Quebec was willing to assume her liability under this project, amounting in his estimation to about $3,000,000 annually. I may say that the province of Quebec is spending vast sums of money to look after the very people for whom we are providing under this scheme. It will be for the provincial government to decide whether or not it will share in this scheme. If Quebec wishes to stay aloof, she has a perfect right to do so. But so far as I am concerned, I am not speaking here solely as a representative of Quebec, I am speaking as a representative of Canada. We will contribute to any social legislation, but within our means. An hon. gentleman from Nova Scotia, an experienced business man, told us that we should give everything that his province is asking for in the way of maritime rights, but that Nova Scotia is not willing to do anything to promote this social legislation.

Mr. CANTLEY: I did not say anything of the kind. I said we could not afford to. I said further that you could not put the bill into effect without compelling us to pay as taxes pensions to people in other provinces better able than we are to bear the burden.

Mr. CANNON: The stand I take, and I think it will be approved by the majority of the committee, is that as members of the

federal parliament we should look after the interests of Canada, not after the interests of particular provinces.

Mr. CANTLEY: I am here to look after the interests of my own people, the people of Pictou, whose representative I am.

Mr. LADNER: What about the old people, are not they the ones primarily interested?

Mr. CANNON: Certainly. This is a social question.

Mr. ERNST: Mr. Chairman, in view of the hon. minister's remarks, I should like to ask him whether he considers anything which may be granted under the Duncan report as a dole to Nova Scotia?

Mr. CANNON: Certainly not.

Mr. ERNST: He speaks as if it were.

Mr. CANNON: My hon. friend is not going to draw me into making any such statement. The Duncan report is one matter, the old age pensions another. The point I am making is that the financial situation in the Dominion, as a consequence of what happened from 1911 to 1921 is very bad. From 1921 to 1927 we have by proper administration managed to improve it. But as a government, notwithstanding what may be said from this or that corner of the House, we are not going to forget our duty towards the people whom we represent. We will promote social legislation, but within our means, and we will go no further.

An hon. MEMBER: With federal money.

Mr. CANNON: With federal money. We are to-day, as a government, expressing in this House a desire to help each and every one of the provinces forming confederation. These provinces have means of their own. Let them do their share in providing pensions, and we will do ours.

Mr. EDWARDS (Frontenac): The minister argues that this scheme should be handled from the standpoint of Canada as a whole, as our duty—

Mr. CANNON: Here.

Mr. EDWARDS (Frontenac): Yes, here. And he advances the argument that 50 per cent is all that we can take out of the Dominion treasury; therefore we should not ask for any more. Well, if he is right in arguing from that standpoint, surely he should not find fault with the representatives from Nova Scotia who say that the finances of the province cannot stand 50 per cent as its share of the scheme. The hon. minister says that the Dominion cannot stand more than 50 per cent of the cost, but he finds fault with my hon. friend who says that his province cannot afford to put up the other 50 per cent.

I say that every member of this House, no matter what province he comes from, has a double duty to perform. He cannot look at that duty from the standpoint of the minister and say, We will put through this or that legislation from the Dominion standpoint, regardless of our duty to the province from which we come. We have to consider the position in our particular province. I would point out to the minister that in recent years the provinces have more and more taken upon themselves obligations analogous to those which the government is undertaking in this bill. Higher and higher contributions to hospitals, charities and other social work has increased enormously the tax burdens of the various provinces, until to-day they are carrying about all they can stand. In this bill the government is simply making a bluff. I think that is the apt word to use. They made a bluff last year and they are making a second bluff now. They propose to go to the people and say, Here we were in favour of giving old age pensions, but the provinces would not back us up. The government places all the responsibility for administration on the provinces and says, We will hand you back 50 per cent of the net expenditure. Why not the gross expenditure? The fact that the responsibility will rest with the various provinces for the administration of the act, for providing machinery and so forth, is itself a sufficient argument for the Dominion government putting up a larger portion than one-half of the cost. Speaking for the Conservative party, we on this side have appealed to the government to make this a federal measure and to assume the full responsibility for the administration of the act from the federal treasury. Failing that, however, we certainly prefer to have a 75 per cent contribution from the Dominion government. The bill is of no use whatever on a fifty-fifty basis; you cannot get the provinces to co-operate. It would be much better to make the Dominion contribution 75 or 80 per cent, because in that event it is more likely the provinces would be able to participate. But the minister says no, and the Solicitor General has been equally pointed in indicating that the government is not prepared to increase the amount proposed. Indeed, they were not even prepared a little while ago to allow this particular clause to stand until eight o'clock so that they might have a few more hours in which to consider this suggestion. The minister shakes his head; I take that to be an intimation that the government will

not give one cent more than 50 per cent. The provinces can take it or leave it. That represents the extent to which the government is prepared to go in granting relief to the aged. Judging from the contributions that have been made by my own county to the support of the poor there, I am sure that $20 a month will be inadequate. The government might very well pay a larger percentage of the cost, and in doing so they would encourage the provinces to coöperate, not only in passing legislation, but perhaps in adding to the allowance, so as to make it possible for the old people to live.

Mr. ROBB: My hon. friend has given evidence of a short memory. He and his followers—because it is not so long since he was a member of a government—less than forty-eight hours ago applauded the leader of the opposition (Mr. Guthrie) when he attacked this government for adding to the public expenditure and urged greater economy. My hon. friend has no longer the responsibility of office and can therefore be generous with the funds of the people. I am interested to know whether he is speaking for the whole Conservative party in this regard?

Mr. EDWARDS (Frontenac): I am not obliged to give utterance to the sentiments of other people; I speak for myself. I can however suggest ways whereby the minister can raise money.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

The CHAIRMAN: When the committee rose we were considering section 3—agreements with provinces.

Mr. KING (Kootenay): Up to now I have refrained from speaking on this bill this session. But last year it was my pleasure and honour to pilot the bill through this House. It received the unanimous endorsement of the House and then went to the upper chamber. That chamber did not see fit to accept the bill as passed by the Commons. It failed to pass the upper house, but since then the legislation has been before the electorate of Canada and the people have endorsed it. That has been shown by the return of the party which instituted and brought that legislation into this House.

I do not think the discussion on this occasion has been much wider in its nature than the one which took place last year. It is true that hon. gentlemen opposite, knowing the popular demand for this measure, are more anxious now to see that some form of legislation is put into effect. We find to-day an almost unanimous sentiment in its favour. Of course we have not heard yet from those who opposed the bill last year—and there were several—but we find an almost unanimous sentiment in this chamber in favour of old age pensions, and we also find those who are not responsible for the expenditure of the taxes collected from the people of Canada proposing to-day that the scope of the bill should be extended and further obligations undertaken by the Dominion. That seems to be the desire of hon. gentlemen opposite. Well, that is not a difficult thing to do; it is easy for hon. gentlemen opposite, who are not responsible for the expenditure of public money, to suggest that the scope of the bill should be widened. Personally I heartily endorse the principle of old age pensions, and I wish to point out that last year was the first occasion when a government of Canada undertook to bring in legislation dealing with this important question.

Mr. HEAPS: May I ask the minister a question?

Mr. KING (Kootenay): Not just now; I prefer to continue my argument. To my mind the primary necessity at the present time is to have the principle of old age pensions endorsed by this parliament. But I can easily see that if the suggestions referred to, in view of the quarter whence they emanate, were accepted by the government the old age pensions scheme would be defeated in Canada for the present. I make that statement after mature consideration, and I hope that those who are in favour of old age pensions, if they mean what they say, will accept the present bill in order to have the principle which it embodies established in this country.

We reviewed last year the countries which had accepted the principle of old age pensions, and we were able to show that Great Britain had led in this matter. But from time to time even Great Britain revised and amended her legislation, and finally arrived at the place where they now have a dual system, one part of which is contributory and the other supported by the government. It would be very satisfactory if we could arrive immediately at the condition Great Britain has developed in her years of progress and legislative experience, but this is entirely a new undertaking as far as Canada is concerned.

As I said a moment ago, generally speaking this proposal has been endorsed by the electorate throughout Canada, and it is a well known fact that the sentiment in Canada is that the aged who have failed to provide for

themselves should receive some assistance from the state. Hon. gentlemen opposite say we are wrong and that we should go first to the provinces and consult them. I think we dealt with that matter very fully last year; this problem is one which under our constitution rests primarily upon the provinces, and they in their turn have handed that responsibilty to the municipalities. I think it will be conceded by every hon. member of this House that those who have reached the advanced age of seventy, and through circumstances in many cases beyond their control find themselves without means, should be supported, and that the state should contribute to that support. What is the state as far as Canada is concerned? This country consists of nine provinces and the taxes are collected from the people residing in all nine provinces which go to make up this Dominion. If we keep to our constitution we must consider this as a provincial problem, but the government of which Mr. Mackenzie King is the leader considered this proposal to be of such importance that uniformity of legislation throughout Canada should be brought about. And how is that to be done? We cannot pass legislation telling the provinces that they must do so and so in this matter, but recognizing the fact that they are entitled to bear a proper share of this work we can say to the provinces that we, as the central parliament of Canada, will contribute from our resources fifty per cent of the cost of taking care of these people. I hear from the representatives of Nova Scotia and British Columbia that those provinces cannot undertake this burden, but is it not understood in this House and throughout the country that the aged are entitled to receive and are supposedly receiving support to-day? So those who say that this is not a proper bill and that the Dominion should assume full responsibility are entirely outside of their premises as Dominion legislators.

We have not followed a new practice; it has already been cited in this House that the governments of Sir Robert Borden and Right Hon. Arthur Meighen brought in proposals without consultation with the provinces, whereby contributions were made from the Dominion treasury in order to bring about better road construction in Canada, better technical education and better agricultural conditions. Were these offers refused by the provinces? In every case the provinces did exactly what any individual would do; they accepted the gift from the Dominion government and utilized these funds. The bill brought down in regard to good roads provided that the Dominion government would contribute 40 per cent of the cost of construction of the main highways, not 50 per cent. I was a provinical minister at that time; that gift from the Dominion government involved the province in a very large expenditure, and there was hesitation on the part of the various provincial governments as to whether or not they should accept. They did accept, however, because it was a gift from the central treasury of Canada. I want to make this point clear. My friends argue that the Dominion should accept the whole shot and that the provinces should be relieved of that burden. Is that a fair consideration if you look into it carefully? Who can better judge the condition of these people whom it is proposed to help than the local authorities? That is one reason why the Dominion government, even if they had an overflowing treasury, should insist that the provincial governments share in this responsibility. In addition to that we will have the advantage of the local machinery which exists in practically every province in Canada to-day, through which these conditions may be investigated and the truth made known.

As I said a moment ago, last year was the first time any government in this country was prepared to bring legislation of this kind into the federal House. In dealing with expenditures involving $12,000,000 to $24,000,000, the people of Canada and the government of Canada must consider where that money is to come from, and as the Minister of Finance stated just before six o'clock our friends have been very unfair even within the last few hours. We were subjected to criticism because we did not further reduce taxation, but to-day hon. gentlemen opposite say we should involve the Dominion in an expenditure of not $12,000,000 but $24,000,000.

Mr. BENNETT: You could save it in the civil service in a year.

Mr. KING (Kootenay): My friends were in power many years, and they did not save it.

Mr. McQUARRIE: I would like to ask a question. What difference will it make to the people whether this money is collected by the Dominion or by the provinces?

Mr. KING (Kootenay): I tried to make that clear to my hon. friend a moment ago. The taxpayers of this country are situated in the various provinces and they have to pay the shot, but there is an advantage in involving the various provincial governments in this matter because they have the local knowledge and the local machinery for administration

which would save probably $1,000,000 or $2,000,000 if carried on in this way. My hon. friend has the right idea; what is the difference? The taxpayers have got to pay it. They live in the provinces, but they have to pay either to the Dominion or to the province. But this being primarily a provincial matter, we claim that the provinces should accept their responsibility, and I am satisfied that public opinion is such throughout Canada that it will of necessity come about that provincial governments will gladly accept the fifty per cent contribution from the Dominion treasury.

I wish to direct the attention of the House to a paper I have in my hand giving the history of Australia in regard to old age pensions. In 1909 Australia brought in legislation to provide for their aged people. Under the constitution of Australia this is a dominion matter. In 1910, the first year of the operation of their act, they found within their population 65,492 people who were entitled under their legislation to an old age pension, and they paid out in that year £1,433,430. In 1911, there were 75,502 people eligible under their act, and there was paid out in pensions £1,844,848.

Mr. GARDINER: What was the rate of pension?

Mr. KING (Kootenay): I will give that a little later. I am going to ask to be allowed to put this table on Hansard, so that we shall all be able to see the experience they have had in Australia.

INVALID AND OLD-AGE PENSIONS

Table "N"

SUMMARY

Financial Year Ended	Number of Pensioners			Amount Paid in Pensions	Amount Paid to Benevolent Asylums and Hospitals for Maintenance of Pensioners	Total Payments to Pensioners and Benevolent Asylums and Hospitals	Cost of Administration	Cost of Administration in proportion to every £100 of Pensions and Asylum and Hospital Payments	Annual Liability on last day of Financial Year	Average Fortnightly Pension on last day of Financial Year	Number of Pensioners in each 10,000 of the Population	
	Old-age	Invalid	Total								Old-age	Invalid
				£	£	£	£	£ s. d.	£	s. d.		
30th June												
1910	65,492	§	65,492	1,433,430	155	1,433,585	37,146	2 11 10	1,624,454	19 1	150	.....
1911	75,502	7,451	82,953	1,844,848	2,592	1,847,440	39,244	2 2 6	2,054,364	19 1	171	17
1912	79,071	10,763	89,834	2,142,212	7,447	2,149,659	41,794	1 18 11	2,216,734	19 0	173	24
1913	82,943	13,739	96,682	2,288,388	13,287	2,301,675	44,523	1 18 8	2,449,434	19 6	175	29
1914	87,780	16,865	104,645	2,577,965	14,236	2,592,201	47,015	1 16 3	2,642,848	19 5	180	35
1915	90,892	20,417	111,309	2,691,309	27,630	2,718,939	48,018	1 15 4	2,807,558	19 5	184	41
1916	91,783	23,439	115,222	2,859,766	31,831	2,891,597	44,401	1 10 9	2,900,352	19 4	186	48
1917	93,672	26,781	120,453	3,519,482*	34,653	3,554,135*	54,393	1 10 7	3,811,200*	24 3‡	192	55
1918	95,387	29,912	125,299	3,753,977*	39,060	3,793,037*	54,355	1 8 8	3,958,022*	24 3	193	61
1919	95,969	31,999	127,968	3,880,866*	55,760	3,936,626*	63,280	1 12 2	4,037,015*	24 2	191	63
1920	99,170	35,231	134,401	4,411,629*	72,675	4,484,304*	74,120	1 13 1	5,095,496*	29 1†	189	67
1921	102,415	37,981	140,396	5,074,336*	75,905	5,150,241*	88,271	1 14 3	5,263,523*	28 9	192	71
1922	105,096	39,019	144,115	5,290,056*	89,978	5,380,034*	93,609	1 14 10	5,401,276*	28 9	191	71
1923	107,389	40,064	147,453	5,337,936*	86,080	5,424,016*	87,910	1 12 5	5,518,682*	28 9	191	71
1924	113,054	42,617	155,671	6,426,752*	97,129	6,523,881*	92,366	1 8 4	6,862,138*	33 9‖	197	74
1925	117,516	44,840	162,356	6,896,401*	96,504	6,992,905*	94,486	1 7 0	7,146,857*	33 8	200	76
1926	126,918	48,803	175,721	8,146,636*	105,751	8,252,387*	99,620	1 4 2	8,863,156*	**38 7¶**		81

§The Commonwealth commenced to pay Invalid Pensions on 15th December, 1910. *Includes payments to pensioners in Benevolent Asylums. ‡A general increase of 5s. per fortnight occurred in October, 1916, as a result of the *Invalid and Old-age Pensions Act* 1916. †A further general increase of 5s. per fortnight occurred in January, 1920, as a result of the *Invalid and Old-age Pensions Act* 1919. ‖ An additional general increase of 5s. per fortnight occurred in September, 1923, as a result of the *Invalid and Old-age Pensions Act* 1923. ¶A further general increase of 5 s. per fortnight occurred in October, 1925, as a result of the *Invalid and Old-Age Pensions Act* 1925.

It will be noted that the number of people eligible under their legislation had increased from 65,492 in 1910 to 90,892 in 1915, and there was paid out in pensions in 1915, £2,691,309. Now I will skip to the year 1926. In that year, under their legislation as amended from time to time, giving increases and bringing in the invalid and other classes, the number of persons had increased to 126,918, of which 48,803 were invalid and would not come in under the bill we have here; and they paid out in pensions in that year £8,146,636.

Mr. ARTHURS: That was purely a federal scheme?

Mr. KING (Kootenay): Yes. I am quoting these figures merely to show to the House that as members we have certain responsibilities.

Mr. BENNETT: How much of that £8,000,000 was contributed?

Mr. KING (Kootenay): I do not think any was contributed.

Mr. BENNETT: Yes, there was compulsory contribution.

Mr. EDWARDS (Frontenac): What was the age limit, male and female?

Mr. KING (Kootenay): It varies from sixty to seventy years, under certain conditions.

Mr. ARTHURS: Their scheme takes care of the blind too, does it not?

Mr. KING (Kootenay): There have been amendments from time to time, and that portion of the act which authorizes payment to women on attaining the age of sixty came into operation on December 15, 1910. But what I am trying to make plain to the House, Mr. Chairman, is that Australia has had experience with old age pensions from 1909 to 1927, and they have amended their legislation from time to time to meet conditions as they arose. We are embarking on a new proposal in this country. We know the difficulties that were encountered by the proposals that were made by the government last year, which are the present proposals, and why should we jeopardize them by attaching conditions at the present time? I believe that every member of this House is interested, and favourably interested, in this legislation, and is it not better for us first to establish the principle of old age pensions, and then proceed from time to time to perfect our legislation as our revenues and conditions will permit?

[Mr. J. H. King.]

I have no hesitation as a member of this House in saying that the Dominion parliament should not, under our constitution, pay the whole shot. I believe it is to the advantage of the people of Canada that this responsibility should be divided between the federal and provincial governments.

Mr. ESLING: During the campaign did the minister ever refer to the fact that the provinces were to contribute half the pension? Did he not stress the fact that it was the federal government that was bringing in old age pensions, and that he was the father of the legislation?

Mr. KING (Kootenay): What was said in the campaign, Mr. Chairman, might be of interest to my hon. friend, but if I were to review what was said in the campaign and the misrepresentations that were made by my hon. friend and his friends, it would not be helpful to this discussion at all, and I refrain because I am really interested in old age pensions and not in what happened during the campaign. It is of no importance at the present time what my hon. friend or I said during the campaign. I know that anything I said was within the bounds and confines of the bill, and I know that what my hon. friend said was outside the confines of the bill.

Mr. ESLING: What was that?

Mr. KING (Kootenay): I am not going to be led away from the question before us by my hon. friend, further than to say that he represented that certain classes of women were ostracized under our legislation and would not benefit, when there was a special provision in the bill including them, and he knew it.

It is rather interesting to hear what our friends from Nova Scotia and other provinces have to say; in fact, we have heard members on the opposition side of the House say that the province of Quebec would not come in. The Solicitor General has already dealt with that, as a minister from the province of Quebec. I will say this for the province of Quebec: Through their organizations, family, church and otherwise, I believe they do take good care of their aged, and it might be that this proposal at first blush would not be acceptable to them. But in view of the history of old age pensions in practically every country in the civilized world to-day, is there any reason for supposing that any province in Canada will not come in?

Mr. ERNST: Is the minister aware that the chief Liberal organ in Nova Scotia, as I pointed out this afternoon, is opposed to the bill in its present form?

Mr. KING (Kootenay): I am trying to get hon. gentlemen to give consideration to this measure outside of its political aspects, but it is very difficult to do so. My hon. friend from Lunenburg would quote a Liberal newspaper, but after all, that is only a newspaper. We know, each and every member knows, that the people of Canada are in sympathy with these proposals, and what I am trying to impress on the House is that we would be better advised, and would be doing more for the principle of old age pensions, if we accepted this legislation, which is the same legislation that went through the last campaign. Then, after the scheme has come into operation and we have had experience with it, we shall be able to do as they have done in Great Britain, in France, Germany, Australia and the United States—amend our legislation from time to time to meet the conditions that arise. But let us at this time first establish the principle that so far as we are concerned, the parliament of Canada, is desirous of bringing into force a uniform pension scheme. If we do that, then surely we have accomplished our purpose, and I will say to my hon. friends opposite, who to-day are suggesting what they did not suggest last year, that they are endangering a principle which I know they are so anxious to establish in Canada.

Mr. HEAPS: Did I not suggest an increase in the federal allowance last year?

Mr. KING (Kootenay): Yes.

Mr. HEAPS: Am I not taking exactly the same attitude as I did a year ago?

Mr. KING (Kootenay): I do not blame the hon. member. If I were in his position I would do likewise, but we have got down to cases on this thing. The government has been seriously attacked this afternoon for its want of liberality.

Mr. McGIBBON: Hear, hear.

Mr. KING (Kootenay): My hon. friend says "hear, hear." But what is in his mind at this time is to establish the principle, and although he may have advised, and properly so, that the government should be more liberal and should make it sixty-five or seventy per cent, last year the House of Commons did not accept that, and I do not believe the House will accept it this year.

Mr. McGIBBON: Put it to a vote.

Mr. KING (Kootenay): That would be a political vote, and not in the interest of old age pensions.

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

Mr. KING (Kootenay): That is the opinion that will be generally held throughout Canada, and my hon. friends opposite will realize it before long.

Mr. ARTHURS: Is that a desire or a threat?

Mr. KING (Kootenay): Because the taxpayers who are interested in this proposal are desirous of passing a measure that will bring into existence a uniform system of old age pensions throughout Canada. The amount to be paid to the pensioners can be discussed next year or the year after. Let us establish the principle, and from time to time we can amend the regulation.

Mr. McQUARRIE: How can it be uniform if all the provinces do not go into the scheme?

Mr. KING (Kootenay): In this respect we can only judge and make deductions from what has gone before. We know that in legislation of this character, where the Dominion government has given to the provinces from their treasury amounts of money which they did not require to give, the provinces have always been anxious to accept and have accepted.

Mr. ARTHURS: After a long period.

Mr. KING (Kootenay): I have no doubt that, if the bill becomes law, throughout Canada in every province there will be people who will see that the provincial governments accept their responsibility, and having accepted their responsibility then you will have what we are contending for, a uniform pension for aged Canadian people.

Mr. ARTHURS: How many provinces came into the various schemes which have preceded this proposition—that is the good roads scheme, and the technical education scheme—and when? How long did they delay?

Mr. STEWART (Edmonton): Every one.

Mr. ARTHURS: Eventually.

Mr. KING (Kootenay): They all came in; some debated the matter for a time, perhaps a year or two, but not longer than they should have, because public opinion is what controls provincial governments as it controls dominion governments, and I have no doubt that if this legislation becomes law public opinion in the provinces will be such that the provincial governments will accept what the Dominion government gives them for the care of those for whom they are responsible to-day.

Mr. McGIBBON: Upon what do you base that opinion, in view of the fact that nearly all the provinces have already refused it?

Mr. KING (Kootenay): No, I would say that, because when the premier of a province, or some other official, writes us and says he has not had time to consider it, or that the time is not opportune just now, that does not mean that the proposals will be turned down. We have the experience of the last election—

Mr. McGIBBON: What about Alberta?

Mr. KING (Kootenay): After this bill becomes law the province of Alberta will gaze upon the fifty per cent that we propose generously to grant to them to care for the aged within their boundaries, and having considered the matter I am satisfied that that province will do as British Columbia has done and will accept the offer made by the Dominion government of fifty per cent of the cost of taking care of these people, who are entitled to be taken care of.

Mr. McGIBBON: It is a wish.

Mr. KING (Kootenay): No, it is not a wish. It is a statement from experience, and we can only judge from the experience we have already had in regard to these matters.

Mr. SPENCER: What does the minister think will be the cost of administration?

Mr. KING (Kootenay): Considering the fact that all our western provinces, as well as Ontario and New Brunswick, have organisations whereby they protect their workmen under the Workmen's Compensation Act, I would say that under the present proposal they will take over the administration of this act. It is the intention of British Columbia, if this bill becomes law, to hand over to the Workmen's Compensation board the administration of this act, and it will add very little to the expense of that department of government. There is undoubtedly a great advantage in having provincial coöperation in the matter of administration alone. If that were the only deciding factor, then this bill should become law, in order that we might have coöperation in administration from the local bodies who are next to the problem, more so than we are. The administrative expenses should not be very great, as hon. members will see if they read the bill. There will be a certain amount of checking between the various provinces and the Dominion government, and some money will be set aside from time to time to be paid out by the provincial governments.

Mr. SPENCER: Will the cost of administration be paid by the provinces?

[Mr. J. H. King.]

Mr. KING (Kootenay): Yes, that is the intention under this bill, and I think it is an important provision, because they have machinery already established that will carry on this administration.

I am intensely interested in seeing that the principle of old age pensions is established in Canada. I conscientiously believe that it is to the advantage of the scheme that the various provinces should be involved and share in the responsibility, and for that reason I am heartily in accord with the legislation. I believe it will be the means of accomplishing very much good throughout the Dominion of Canada. It is true that the provinces have many responsibilities to-day and that they are doing much good work along these lines. We have been told that they have poorhouses and similar institutions, but we know in our hearts that this problem has not been touched in Canada, and there are many old people who would be entitled to contributions under this bill who at present are not being taken care of by the provincial government.

Mr. McGIBBON: Not by this bill.

Mr. KING (Kootenay): Yes, many of them would be taken care of by this bill. That is true; nobody would dispute it. We are making a start and a very necessary one, and it will relieve a great many people in this country. An idea seems to prevail that one can eat his pie and have it too. It is not possible.

Some hon. MEMBERS: Oh, oh.

Mr. KING (Kootenay): It is not possible. Our friends seem to think we can vote many millions of dollars and at the same time reduce taxation. I think now my point will be understandable to my friends opposite. When we talk of increased expenditures it means increased taxation.

Mr. CANTLEY: The minister who has just sat down appears to argue that as some of the provinces accepted the principle of coöperation in connection with the vote of $20,000,000 for good roads, therefore they will accept this scheme. But the two cases are not at all analogous. Take Nova Scotia and New Brunswick, they had already embarked on a project of improved roads before the $20,000,000 voted by the Borden government became effective, and naturally took advantage of it because it aided them in carrying on that project. I say so because I happened to be a member of the highway board of Nova Scotia which was created by the provincial government to carry on that work.

Mr. VENIOT: In what year did Nova Scotia appoint that board?

Mr. CANTLEY: The minister knows—1918.

Mr. VENIOT: In 1920; and in 1919 the money was voted by the Dominion government.

Mr. CANTLEY: I think the minister is in error as to the dates, and I do not see what his mis-statement has to do with my line of argument. The minister who has just spoken carried out that program for the New Brunswick government. We had already in 1918 embarked on a project of improved roads, and the two provinces were extremely glad to get the assistance of the federal grant. Now we are asked to embark on a totally different project which we have not the money to carry out—at least we do not think we have. The minister has not yet convinced me and, I think, some others that Nova Scotia is to-day in a position to take advantage of this measure. If he wants our people to participate in these pensions, let the government make the contribution $10 a month direct from the federal treasury. Then if the province of Nova Scotia can implement that amount by an equal provincial contribution it will, but if we cannot we will at least get the same proportion as the other provinces. As the bill now stands, the provinces which are not able to implement the amount voted by the federal government will have to bear their proportion of the pensions given those provinces which accept the scheme. Is that fair, is that just, is that reasonable? I leave it to the judgment of the committee.

Mr. KING (Kootenay): My hon. friend seems to have misjudged the whole situation. The roads vote was of a material nature. In this case we are dealing with the human element.

Mr. CANTLEY: Pure sophistry.

Mr. KING (Kootenay): Not at all.

Mr. CANTLEY: A dollar is a dollar in either case.

Mr. KING (Kootenay): True; but I have sufficient confidence in the spirit of our people in the various provinces to believe that they will readily accept this legislation, which is of a human character, more readily than they accepted the roads legislation which my hon. friend speaks of.

Mr. McGIBBON: Mr. Chairman, it does seem to me that this is developing into a political scheme. If the government are as willing and anxious as they claim to be to help the poor, why do they not bring down a practical bill? This proposal is a subterfuge. The government are hiding behind the provinces. It is in the interests of the provinces—and I am speaking irrespective of party—to sit back and do nothing, leaving the federal government to foot the bill.

Mr. POULIOT: When the hon. member says that this is a political scheme, does he mean that only members of the Liberal party grow old?

Mr. McGIBBON: That is a joke. I am talking simply about this proposed legislation. It is not intended, and I say so advisedly, as a scheme to help the aged poor. If the government were sincere they would bring down a bill and take full responsibility.

Mr. DUNNING: That is what we are doing right now.

Mr. McGIBBON: I respect the judgment of the Minister of Railways in many things, but not in political things.

Mr. CANNON: That is where you may be wrong.

Mr. McGIBBON: I may be wrong from a political standpoint, but not from a national standpoint. I say that he and his colleagues are hiding behind the provinces. I need only refer to Alberta, which has already repudiated the scheme. If the government want to incur fresh obligations they ought to be prepared to put their hands in the treasury and pay the cost. I ask the Minister of Railways this question: Supposing the province of Saskatchewan from which he comes joins in this scheme, and the province of Ontario from which I come does not, and that a pensioner after living in Saskatchewan for ten years moves into Ontario, or vice versa, how is he going to collect under this scheme? I submit it is absolutely impossible. The result will be that hundreds of old people will be bitterly disappointed, and he knows it. Now, we may differ on political matters, we may differ on—

An hon. MEMBER: Prohibition.

Mr. McGIBBON: Yes, we may differ on prohibition and on many other things, but let me tell him this—

Some hon. MEMBERS: Oh, oh.

Mr. McGIBBON: Many fools may laugh. Let me tell him that this government in laughing at the old people who are depending upon this legislation for sustenance in their old age will not escape censure. How is the Minister

of Railways going to harmonize such legislation on the part of the federal parliament with provincial legislation? It is an impossibility. That is why I oppose this bill. I support the principle of old age pensions, but I warn him that this bill will bring hardship and disappointment to tens of thousands of old people throughout the Dominion, as the Minister of Railways will find out before many years.

Mr. THORSON: Mr. Chairman, it is very unfortunate that there should be so much recrimination on so important a subject. This parliament is charged with the responsibility of carrying into effect the mandate which it received from the people last September. One of the issues before the electorate was that of old age pensions. I think the House should carefully consider the form in which that issue was placed before the people, and their verdict upon it. The Liberal party placed before the electorate this identical bill containing the principle of coöperation between the provinces and the Dominion in the form of joint contributions. I hope that I may not be charged with distorting the attitude of the Conservative party towards that policy during the campaign when I say that that party opposed this bill. I will not say that the Conservative party opposed the principle of old age pensions. I freely acknowledged on many a platform during the campaign that my opponent, the previous member representing this constituency, spoke in favour of old age pensions. I do not, therefore, consider it fair to say that the party as such went to the electorate in opposition to the principle of old age pensions. They did, however, oppose the present old age pensions bill, and their opposition took this form. They represented that first of all there should be a conference between the provinces, that the provinces should agree upon a joint policy, and that then, and not till then, should the Dominion embark upon this piece of social legislation. That, I think, fairly represents the attitude of the Conservative party during the campaign. The attitude which we took towards the proposal was this. We contended that if such a policy were adopted we would never get old age pensions. The policy of the Liberal party was to set up the machinery, and to say to the provinces, "We are prepared to contribute fifty per cent of the cost of the scheme. It will then be open to each province to take advantage of it or to stay out, as that province may deem fit".

That, I think, fairly gives to the House the attitude of both parties on the subject of old age pensions. The verdict of Canada was given in favour of the Liberal party, and, therefore, I suggest, it is that party's policy that ought to be carried into effect as largely as possible, I have no recollection that at any time during the recent campaign the leader of the Conservative party ever suggested that the Dominion should embark on a system of old age pensions on a purely federal basis.

Mr. McGIBBON: You had better read last year's debate.

Mr. THORSON: Both parties were agreed, I think, during the campaign that a policy of coöperation, between the provinces on the one hand and the Dominion on the other, should be adopted. I think it is generally admitted that it is safer and wiser that the administration of the scheme should be left in the hands of the provinces: the provincial machinery is closer to the people and is more adapted to their needs. There would be, for example, all sorts of investigations into such matters as proof of age and proof of income, demanding the presence on the spot of officers of the crown, and I think that it is generally agreed that it would be cheaper and more efficient, to have the administration of the act entrusted to the provinces. Furthermore, there is a considerable advantage in a policy of coöperation between the provinces and the Dominion; on this point there is, I fancy, a general agreement in the House. It is true that many members on the other side are now advocating a policy of old age pensions on a purely federal basis, but that was not the policy of the Conservative party in the election campaign, and it is upon the issue before the people that we must decide the question to-day.

As pointed out by many speakers, there is in this bill the advantage that, the provinces and the Dominion being both charged with the responsibility of finding revenues for the administration of the act, it will make for greater economy and efficiency inasmuch as there will be a double check on expenditures, and checks on national expenditures are sorely needed. Again, there is this advantage to be noted: our Dominion revenues are derived from various sources, such as customs duties, excise duties, war tax, income tax, business profits tax, and so forth; our provincial revenues are secured from many different quarters; for example, provincial revenue is derived from federal subsidies, from municipal levies, from the proceeds of natural resources in the case of those provinces that have their natural resources, from corporation taxes, license fees of one sort and another, liquor profits, court

fines, legal fees, and so on. By a policy of coöperation between the Dominion and the provinces this great variety of revenue will be made available for the administration of the system, and taxation will be spread over as wide a field as possible. It will hit both rich and poor; it will hit the landowner as well as the tenant; it will hit the industrialist as well as the farmer. That is one great advantage which I see in this form of coöperation between the provinces and the Dominion.

Personally I should like to see the pensions increased, just as I should like to see the age limit reduced. But the state of the national purse must be considered. We are embarking for the first time upon a scheme of social legislation. Does anyone imagine for a moment that we shall not hear of further legislation for social purposes in the future? We shall have to consider in the very near future such schemes as pensions for the blind, unemployment insurance, and so forth; we shall have to see to it that our returned soldiers are properly treated in the matter of pensions and reëstablishment; we shall have to see to it also that our civil servants are properly paid. All these things will require national expenditures and it would be unfair to the various classes of persons whom I have mentioned that we should go too far at the present stage in this particular class of social legislation, lest other social legislation in the future should be severely prejudiced.

Much has been said in the course of this debate about the proportion which the Dominion government should contribute to the cost of the scheme. I take this position with respect to that: if it should be necessary to increase the percentage of the federal contribution to this scheme in order to make old age pensions a success then that percentage will have to be increased, because the state of public opinion is such that old age pensions will be demanded and must be granted. Personally I should like to see a greater contribution made by the Dominion government.

May I refer to the suggestion made by the hon. member for Portage la Prairie (Mr. McPherson)? I think he was the first person to allude to the matter in the course of this debate. He pointed out that under this proposed scheme the cost of administering the system would be charged to the provinces, and in view of that fact it would be only reasonable that the Dominion should pay a little more than fifty per cent as suggested in the present bill. But we are face to face with this very important consideration: I do not myself think that it is as important what percentage is contributed by the Dominion to the provinces, as that the legislation should pass. After all we must recognize that the cost of this legislation must be paid by the taxpayers of Canada, and it makes very little difference to them whether they pay it in one form of taxation to the province or in another form of taxation to the Dominion; if it should be necessary to increase the proportion of the federal contribution to the provinces, then that proportion must be increased. But we are face to face again with actual facts. A certain part of the Conservative party which was not concerned with elections did object to and did oppose the old age pensions bill. They opposed it not on the ground of principle but on the ground of cost, and I think it essential that we should now enact legislation that obtained the approval of the people of Canada in the last election, and that has some hope of passing both houses of parliament. I am therefore in favour of this proposal if the government does not, in view of the state of the national finances, deem it advisable to increase the federal contribution. I think it essential first and foremost that we should now enact legislation that will be sure to pass both houses of parliament.

Mr. ARTHURS: This debate, so far as I have heard the matter debated, was free from any political bias at all, until the Minister of Health introduced it to-night. He was the first man I think to bring the political factor into this discussion, and he was followed by the hon. member for Winnipeg South Centre (Mr. Thorson).

May I point out to the Minister of Labour a few facts, at least I deem them to be such. The minister says that if this bill is passed we can change it at any time we please. He admits that it is not perfect, and he admits that it is not along the line of the legislation passed by Australia. In the first place it is not along the lines of the Australian legislation because their legislation is purely federal. In the second place their legislation takes care of the sick and the blind. In the third place their age limit is much lower than ours, and their legislation generally is more effective than these proposals can possibly be. The minister will admit that, I think. On the other hand the minister says that if this bill passes we can change the legislation from time to time as we choose. In reply to that I call his attention to clause 4 wherein it is declared that if we enter into an agreement with the provinces there can be no change for ten years. What do my hon. friends think about that? The act is binding upon a province for ten years after its acceptance.

Mr. HEENAN: If the hon. member is going to interpret the clause he might just as well read the whole of it. The clause reads:

Every agreement made pursuant to this act shall continue in force so long as the provincial statute remains in operation or until after the expiration of ten years from the date upon which notice of an intention to determine the agreement is given by the governor general to the lieutenant governor of the province with which the same was made.

Mr. ARTHURS: That is so easy, is it not? That is to say that the province may repeal the legislation and go out of the scheme, but if it stays in it is bound for ten years.

Mr. HEENAN: If you read the next clause you will see that the governor in council must approve the scheme for the administration of pensions, and no change in such scheme shall be made by the province without the consent of the Governor General.

Mr. ARTHURS: Without the consent of the governor in council, but as a matter of fact if a province enters into an agreement it has two choices—either to remain in for ten years or to repeal the legislation which it has already enacted. There is no doubt about that in the mind of the ordinary layman when he reads clause 4.

Then if we turn to clause 10, what do we find? It reads as follows:

Where a pensioner has during part of the twenty years immediately preceding the date of the proposed commencement of pension resided in more than one province in which he would have become pensionable if he had continued to reside therein, the province in which the pension is granted shall be entitled to be reimbursed, by the other province or provinces in which the pensioner has resided as aforesaid, a proportion of the pension equal to the proportion which the duration of the pensioner's residence in such other province bears to twenty years.

How does the Minister of Labour propose to collect that from the other provinces that have not entered into this scheme? Is there any provision under the British North America Act, or under any other act, whereby you can collect this amount from a province which has not given its assent to a scheme of this kind? I might go on and deal with clauses 11 and 12, which are even worse than clause 10, but the minister will see readily that there is no manner of doubt that the government cannot enforce these clauses of the bill if it becomes law.

The Minister of Health has said something with respect to the Dominion grants for roads and for technical education. I think I directed the attention of parliament to that subject earlier in the day. There was a time when the various provinces, or some of them, did not take advantage of the grant for good roads. But the machinery was set up in this city of Ottawa for the administration of that fund of $20,000,000, and most of the provinces have already received from the government all that was coming to them under that act. The machinery is still in existence and we are still paying for the administration of the act, because certain of the provinces have delayed coming under the act as passed by the government of Sir Robert Borden. The same thing is true of technical education. Will the minister say that in any one year the grants for technical education have been assumed by the provinces?

Mr. HEENAN: I will say this, that every province—

Mr. ARTHURS: I have asked a direct question. Has there been any year since the Technical Education Act came into force that the whole amount has been assumed by the provinces?

Mr. HEENAN: I cannot answer that offhand, but I will say this in reply to a question my hon. friend put this afternoon: I think there are nine provinces that have taken part in the matter of technical education—

Mr. ARTHURS: That is not answering the question.

Mr. HEENAN: —and they have already met and asked that the system be extended.

Mr. ARTHURS: That probably is quite true, and the provinces are also asking for an extension of the good roads plan. I do not blame them at all. I think they are perfectly right in asking for it and I would hold up both hands in their favour in that regard. The point I am trying to make is that we are setting up expensive machinery here in Ottawa for the administration of these two laws. There is no doubt about it; the Minister of Labour knows that one-half of his department, or at least a great part of it, is engaged on this question of technical education and has been so engaged for years regardless of the amount paid to the various provinces. Not only that, but every province which did not enter into the good roads scheme or the technical education scheme in the first instance is now claiming the amount which they should have had if they had entered into the scheme at first. What guarantee have we in this instance? If one province comes in this year, as apparently the province of British Columbia is willing to do, or if two or three come in and the remainder stay out for a time, what guarantee have we that these provinces will not ask for the money

which would have been due them from the first, saying, "We have taken care of our poor people since that time, and we should be recompensed accordingly." That has been the case with the other two grants and will be so this time, I believe.

One of the hon. members for Winnipeg, just before he sat down, practically annulled the argument he had made by saying that it made very little difference who paid in this particular case. He said it did not matter whether the Dominion or the provinces or the municipalities paid, because in the end the public had to pay for the upkeep of these old people. That is exactly the position I took last year and it is the position I take this year, in which I am supported by the great majority of hon members who surround me. We believe that it should be purely a Dominion scheme if it is introduced into this parliament at all; we can see no other way out of it. Otherwise it will mean a dual administration with added cost and nothing to be gained, because in the end the public have to pay. We are quite willing and glad to pay; no member of this House and no party in this House is more willing to pay for the support of the aged than myself and those members who sit around me, but we want to do it either by a provincial scheme entirely or by a Dominion scheme alone.

Section 3 agreed to.

On section 2—Definitions.

The CHAIRMAN: The Minister of Labour wishes to make an amendment to this clause, and moves that clause 2 be amended by adding the word "gold" before the word "commissioner" in the second line of subsection (d).

Mr. HEENAN: This is to meet the wishes of the hon, member for Yukon (Mr. Black).

Some hon. MEMBERS: Louder.

Mr. HEENAN: The hon. member for Yukon raised the point that the word "commissioner" did not carry out what was meant by the act and we find that the person meant is the gold commissioner. We feel that the word "commissioner" covers what is intended, but in order to make it perfectly clear we are inserting the word "gold."

Amendment agreed to.

Section 2 as amended agreed to.

On section 4—Term of agreements.

Mr. BOYS: I would like to know from the minister whether under this section this act is binding for ten years, or whether it can be terminated at the end of any period prior to the ten year limit? The minister indicated some thought that that might be his opinion. I can hardly believe that, but I would like to hear his declaration.

Mr. HEENAN: Some of the provinces objected in the first instance on the ground that there was no assurance from the federal government that the act would continue for any length of time. This section is to ensure that the federal government will give at least ten years' notice before withdrawing from the scheme, and the next clause shows that no change will be made in any agreement unless by consent of the governor in council. In other words, we agree to continue this scheme for ten years with the provinces which enter, but surely any scheme entered into can be changed by mutual consent.

Mr. BOYS: The minister has entirely misapprehended the question, and I may say that I received my thought from his own remarks. Let me read section 4:

> Every agreement made pursuant to this act shall continue in force so long as the provincial statute remains in operation—

If we stopped there it would be perfectly manifest that at any time any provincial government could repeal its statute and, ipso facto, the act would be at an end. Is that the intention of the government or is it intended that this should continue for at least ten years?

Mr. HEENAN: No.

Mr. BOYS: Then are we to understand that if this legislation passes the House, at the end of any year at all any province coming under the provisions of this act can repeal the statute?

Mr. ELLIOTT: The Dominion must give ten years' notice.

Mr. LADNER: I wanted to inquire from the minister, following our discussion of the resolution, whether he has considered the advisability of making that ten years' notice work both ways?

Mr. CANNON: It cannot be done.

Mr. LADNER: You can do it by providing for it in the agreement. You can make a condition in the agreement that any province coming under the provisions of the act must give ten years' notice before withdrawing. The point I am making is that the people to consider under this scheme are the old folks who will receive the pension. They may receive their pension for a few years and make their plans depending on this revenue, and for some

peculiar reason, either political or otherwise, one of the provinces may suddenly terminate the statute. Suppose the provincial statute were repealed without notice, the assistance of the federal government stops and the old folks find themselves with no pension. Should we not provide against that by saying under the agreement or by statute that both the provincial and the Dominion governments, once having entered into the project, must give ten years' notice?

Mr. BROWN: Objection has been raised to this bill—

Mr. LADNER: If the hon. member does not mind, I am asking the minister a question to which I would like to have an answer.

Mr. BROWN: I was going to speak on the same point before the minister answered.

Mr. McGIBBON: You are not a minister yet.

Mr. BROWN: I would like to point out that objection has been raised to this bill on the ground that it says to the provinces, "Take it or leave it." That expression has been used quite frequently by hon. gentlemen opposite. Would it be likely to make it any more acceptable to the provinces, say to the province of Nova Scotia which the hon. member for Pictou (Mr. Cantley) thinks is so hard up that it could not come under this scheme, if we put a clause in this bill compelling the provinces to keep the agreement in force for ten years?

Mr. LADNER: The main consideration should be the old folks, who will receive the pension. That is really the purpose of this legislation, and surely if the Dominion government must give ten years' notice the provinces should do the same.

Mr. LAPOINTE: We have no right to say that.

Mr. CANNON: My hon. friend will perhaps allow me to reply. In this legislation we have to bear in mind the respective positions of the provincial and federal governments. So far as the federal government is concerned we can legislate as we wish; we represent this government and we have absolute authority as representatives of the people to bind the federal government. But so far as the provinces are concerned we cannot legislate here and bind them.

Mr. BOYS: That is what you are doing in section 10.

Mr. CANNON: No. We are here dealing with section 4—

[Mr. Ladner.]

Mr. BOYS: You are binding the provinces there.

Mr. CANNON: If my hon. friend will allow me, we are not binding the provinces for any period. Section 4 is divided into two parts. The first part provides that "Every agreement made pursuant to this act shall continue in force so long as the provincial statute remains in operation." We cannot go beyond that. Every lawyer in this House will admit that.

Mr. LADNER: Why can you not provide the term of ten years in your agreement?

Mr. CANNON: We cannot infringe on section 92 of the British North America Act. The provinces can pass legislation, and if they afterwards denounce or determine that legislation, that is the end of it so far as the province is concerned, and we cannot do anything else but what we are doing in this section.

The second part of section 4 deals with what we can do. We can bind the Dominion as a whole, and we are doing it in this parliament. We say that so far as we are concerned our agreement will last at least ten years. We can do that so far as we are concerned, but we cannot do it for the provinces.

Mr. LADNER: Can you not make it a condition to the entering into of this agreement that it shall contain a provision binding the province for a term of ten years? Surely that is within our powers.

Mr. CANNON: If my hon. friend will allow me, under section 91 of the British North America Act we cannot legislate on matters that are within the competency of the provincial legislature. We have to restrict ourselves to section 91. But when it comes to an agreement, the two governments meet, and they can make whatever agreement they are willing to enter into provided always that it is within the general lines of our constitution.

Mr. LADNER: Then why not put the ten years term in your agreement?

Mr. CANNON: The two parties are not represented here. We cannot enter into an agreement in this parliament, because there is only one party here; that is the Dominion. The provinces are not represented here, and how can we in this parliament, as representing only one party, enter into an agreement binding both parties? That is nonsense. Everyone, be he layman or lawyer, knows that you have to have two parties to a contract, and we have only one here. That party is the

Dominion, and we are dealing here with what we can do as a Dominion. As to what the other party may do later, it is for that party to decide by passing a law, and then the two parties will meet and enter into an agreement.

Mr. LADNER: Just apply that same line of reasoning to the fifty per cent contribution. The reasoning is absurd.

Mr. CANNON: We are not binding the provinces to pay any fixed sum. We simply say that as far as we are concerned we will pay fifty per cent of what the provinces decide upon for the pension. If it is to be $100, we will pay $50. We will pay fifty per cent of whatever maximum is fixed, but the amount has to be fixed by the provinces.

Mr. LADNER: Why not apply the same process of reasoning so far as the ten year period is concerned?

Mr. CANNON: My hon. friend is a very good lawyer, and he knows perfectly well that it is not within our jurisdiction as a federal parliament to bind the province for any period of time.

Mr. LADNER: Just as much as the fifty-fifty is within our power.

Mr. CANNON: We say that the provinces can enter into this scheme on their own volition, but if they do not wish to join in it they are not bound to do so.

Mr. BOYS: Does the minister say that if there is to be an agreement it shall not be binding on both Dominion and province—

Mr. CANNON: My hon. friend—

Mr. BOYS: My hon. friend did not permit me to finish. I am aware of the acuteness of his mind, but he might allow me at least to finish my sentence. Does he suggest that there could not be inserted a provision which would be binding not only on the Dominion for ten years but on the province as well? And the moment the province accept that, it will bind them just as much as if they accept the agreement now to pay fifty per cent.

Mr. CANNON: My hon. friend knows we have no law that says that an agreement entered into by the Dominion and the province shall be binding on both; everybody admits that. Why enter into an agreement if it is not to be binding on both parties? We do not need to put that in a law. It is an elementary principle.

Mr. BOYS: I agree with my hon. friend.

Mr. McGIBBON: It is common sense.

Mr. CANNON: It is common sense. The distinction that is to be drawn here is very simple. It is the distinction as to what we can do as legislators in this parliament, and we can legislate only within the four corners of section 91. As to an agreement, that is an ordinary contract, and when the two parties to the contract meet they can agree on whatever conditions suit them. But we cannot go into all the conditions of that agreement, because the two parties are not here. We have to wait until the other party can be present.

Mr. McGIBBON: Can this parliament not dictate the terms upon which the agreement will be made?

Mr. CANNON: Certainly not, because if I am to make a contract one of the conditions of its validity is the consent of the other party. How can I say that another party will be called upon to give his or her consent if beforehand I impose the conditions of that contract? I have no right to do it.

Mr. BOYS: Have you not just as much right to fix the duration of the agreement as the amount of the contribution?

Mr. CANNON: Certainly not; not by law. If my hon. friend will allow me, the distinction to be drawn is this: We cannot in a law say that the duration of the agreement shall be ten years, and claim that that law will be binding on the provinces. But when it comes to drawing up an agreement, if the province is agreeable to the period being ten years, then naturally that condition is binding on both parties.

Mr. BOYS: And does not the same argument apply absolutely with regard to the fifty per cent contribution? You cannot say to the province: You shall pay fifty per cent. But you can say: If you are willing to have an agreement, we will each pay fifty per cent. Similarly, you can say that if you are going to have an agreement, it shall be for ten years or not at all.

Mr. CANNON: Certainly not. I do not wish to detain the House, but so far as the amount is concerned, we are not fixing that. We simply say to the province: You fix the amount, and we will pay fifty per cent. One last point. My hon. friend asked: What if the province should change the law or abrogate the statute one year after it had been passed. That may happen; we cannot help it.

Mr. McGIBBON: You could prevent it.

Mr. CANNON: We cannot prevent it. We cannot prevent a provincial legislature from amending or abrogating its own laws. It is to be presumed that the provincial governments will always consider their legislation in the light of public interest; we can assume that none of them will bring in legislation without that consideration in mind. If they did, the constitutional check is there; there is always the electorate to see that any government that is derelict in its duty shall not remain in power.

Mr. WOODSWORTH: The minister stated that it might be necessary or advisable later on to bring about certain modifications in this act. I should like to know what the procedure would be in case we find that modifications are necessary. Would it be necessary to obtain the consent of each province that was coöperating? Would there be any difficulty in obtaining such modifications as were found necessary within the next ten years?

Mr. CANNON: Section 5 says that no change in such scheme shall be made by the province without the consent of the governor in council. The proposition could be reversed, and it could be said that we would not be allowed to make any change without the consent of the provinces.

Mr. WOODSWORTH: It will be like the laws of the Medes and Persians, incapable of change—at least for ten years.

Mr. HEAPS: We have to get the consent of the nine provinces.

Mr. CANNON: We can change the conditions of any agreement entered into, but the parties to the agreement would have to consent.

Mr. HEAPS: Suppose the government thought it desirable to make certain changes in the act, would it be necessary to call together the provinces which are party to the agreement? If six provinces are favourable to the change and three are not, what would be the position then?

Mr. CANNON: The whole basis of the act is section 3, which says:

> The governor in council may make an agreement with the lieutenant governor of any province.

So that we will have an agreement as between the Dominion and each province, and we cannot change the conditions of that agreement without the consent of the parties to it. There is no doubt about that.

[Mr. McGibbon.]

Mr. BENNETT: I am very glad the Solicitor General agrees more or less with the observations I made the other evening, that the weakness of the legislation is that it endeavours to impose upon the provinces the will of this parliament willy nilly, and I had not expected when I made the observations that one of the law officers of the crown would so soon agree with what I said.

Mr. CANNON: I do not see it.

Mr. BENNETT: Look at section 5, which says:

> Before any agreement made pursuant to this act comes into operation the governor in council shall approve the scheme for the administration of pensions proposed to be adopted by the province, and no change in such scheme shall be made by the province without the consent of the governor in council.

That is clear. Then look at section 8. Section 8 declares what must be in the agreement before it is made. So that antecedently the provinces are restricted and controlled before they are allowed to make an agreement. Section 8 says:

> Provision shall be made for the payment of a pension to every person who, at the date of the proposed commencement of the pension:—
> (a) is a British subject; or, being a widow, was such before her marriage;
> (b) has attained the age of seventy years.

And so on. Then subsection (2) says:

> The receipt of a pension shall not by itself constitute a disqualification from voting at any provincial or municipal election.

Neither the provinces nor the cities are any longer permitted to determine what shall be the qualifications of those who exercise the provincial or municipal franchise, and this Dominion has said antecedently that all those conditions must be in the agreement. What the Solicitor General has said I believe to be sound, namely, that it is not proper for the Dominion to antecedently determine what the provinces must do, and we have said here that the province must agree to these conditions or there will be no agreement and no pensions. We have gone so far as to say that although the provinces of Alberta and Saskatchewan may enact that certain indigent persons shall not have the right to vote, this parliament shall dominate the provincial legislatures and declare that the receipt of the pension shall not prevent the persons from having a vote, whatever the province may desire. I pointed that out last year. I now ask the hon. member from Winnipeg, who is an astute lawyer, if we have not declared antecedently that there can be no

agreement unless a province consents to what we impose upon it as terms of that agreement which we now declare are conditions precedent to any agreement being made. That is the story; it is a simple one and does not, I think, admit of argument.

Mr. BOYS: There is one other feature I wish to speak about. I am in favour of old age pensions, but I want to see a scheme adopted that will be a success and not a failure, and I believe this bill will be a failure. I was informed in regard to section 4 that the provinces had the right, if they saw fit, to terminate the legislation. Look at section 5, which has just been read by the hon. member for West Calgary. That deals with the scheme. But as I presume the scheme in connection with pensions is part of the legislation. If there is not a contradiction there I would like the minister to explain how he can avoid it. Under section 4 each province shall be entitled to terminate the agreement, and section 5 says that no change in such scheme shall be made by the province without the consent of the governor in council. Well, if the scheme is part of the legislation—and I should think it would be—how can those two sections be consistently read together? In the first place, if what I am told under section 4 is right, the whole thing can be put an end to by a termination of the agreement, and that would mean the repeal of the scheme and everything connected with it so far as the provinces are concerned. Then if you turn to section 5 you find in the closing sentence, "no change in such scheme shall be made by the province without the consent of the governor in council". If the governor in council withholds his consent you cannot make a change in the scheme; the repeal of the provincial act would do the province no good, because they would still be responsible for maintaining the pension. Surely the minister will pay some regard to that. It is absolutely contradictory. If the power he advocates is there under section 4, there should be a change in section 5. If it is the intention that under section 5 no change shall be made without the consent of the governor in council, which means this government, then there must be a change made in section 4. Surely it must be manifest that it is contradictory. Let us get together if we can, and if this measure is to go through, let us get something that will be effective and binding. If a province is going to enter into the scheme at all it should do so for some set period and not with the right to cancel it at any time. Let it be binding for a number of years, so that old people may depend upon it for a certain period at all events, and not be at the will of any province at the end of a year. If that is the intention we must recast the provisions of section 5.

Mr. HEENAN: I have listened to the two members who have argued this matter from the legal standpoint, but from the point of view of the layman the matter is quite clear to me. The hon. gentleman is dealing with two different cases. One case is that when the federal government enter into an agreement with a province respecting old age pensions they are to continue their obligation for ten years; and it is provided, of course, that the provincial governments may drop it at any time they see fit. As to section 5, it is entirely a different thing. If an agreement is in existence and operating the agreement cannot be changed without the consent of both parties.

Mr. BOYS: Does the minister not see the contradiction there?

Mr. HEENAN: I cannot quite understand the position taken by different members on the other side of the House, because a little while ago they were arguing that we ought not to impose any expense on the province, and now they are arguing the other way, that when the provinces enter into an agreement we should bind them to ten years.

Mr. BOYS: Yes, if you are going to have an effective agreement .

Mr. HEENAN: I do not think so.

Mr. BOYS: The minister says in one breath that at the end of one year a province can repeal the agreement, but in section 5 we are told that once the scheme is approved it cannot be changed without the consent of the governor in council. If that is so, and the governor in council does not consent to the change, the agreement which has been signed by the province pursuant to the legislation must stand.

Mr. CANNON: Section 4 and section 5 do not cover the same thing.

Mr. BOYS: One is the agreement, the other the scheme.

Mr. CANNON: Section 4 says that when an agreement is entered into it is subject to certain considerations as to duration.

Mr. BOYS: Certainly.

Mr. CANNON: Section 5 deals with a different thing altogether. It provides that the agreement entered into in accordance with section 4 will be followed by a scheme of

administration. That is common sense. If we want to have that agreement effective we have to work it out, and in view of the fact that the province and the Dominion is each contributing, we say to the province: Submit your scheme to us so that we may make any suggestions we think necessary for its improvement. After the scheme of administration has been agreed on, we say to the provincial authorities: You will not be able to change that scheme of administration without letting us know. I do not see what objection there can be to that.

Mr. BOYS: Then the suggestion is that we have this ridiculous state of affairs--legislation of the province declaring the agreement at an end, but the scheme continuing for years to come.

Mr. CANNON: Not at all.

Mr. BOYS: There is no alternative.

Mr. CANNON: The agreement is a binding contract, but the scheme of administration is purely a matter of administration.

Mr. McGIBBON: If the minister's argument is to be taken seriously, it seems to me to be the biggest piece of nonsense ever developed in this House.

Mr. CANNON: I am sorry my friend takes it that way.

Mr. McGIBBON: It means that two parties enter into an agreement but that the agreement is binding on one party only

Mr. CANNON: My friend did not get my argument.

Mr. McGIBBON: I got the common sense of it anyway.

Mr. BROWN: Section 4 says:

Every agreement made pursuant to this act shall continue in force so long as the provincial statute remains in operation—

So long as the provincial statute remains in operation.

—or until after the expiration of ten years.

Section 4 binds the Dominion government to continue the agreement for ten years. The question has been asked, What about the provincial government? Well, this clause simply says nothing about it. It seems to me that section 5 is misinterpreted because the thought has been injected into our minds that we say definitely that the provincial government shall have the privilege of withdrawing, but section 4 says the agreement shall continue in force—

—so long as the provincial statute remains in operation.

[Mr. Cannon.]

Section 5 assumes that the provincial statute has not been repealed, and it simply says that while that statute is in operation the provisions of the scheme for administration shall be approved by the governor in council.

Mr. BOYS: I should like to ask the member for Lisgar (Mr. Brown) or the Solicitor General what is to happen to the scheme if the agreement goes by the board. Does not the scheme say how much the old man or the old woman is to get per year? I must be absolutely stupid or I ought to be able to convince the Solicitor General—at all events the Minister of Public Works—that there is something in the point I am suggesting. If the scheme is part of the agreement, and if it cannot be varied except by the consent of the governor in council, then what right can there be in the province to terminate the agreement? And if the agreement is terminated, does not the scheme go by the board with the agreement?

Mr. CANNON: The tail follows the dog.

Mr. BOYS: If that is right, are you not in conflict when you read section 5 with section 4? I see my friends on the front benches nodding their heads. Well, I am willing to be convinced. Let me again ask for an explanation from the Solicitor General. If the scheme is part of the agreement, and if the province can abrogate the agreement or the statute on which it is based, then the scheme goes with it, and how can you apply section 5, which says the governor in council must be a party?

Mr. CANNON: Section 4 is the cause, section 5 is the effect. The moment the cause disappears the effect disappears also. In other words, the tail follows the dog.

Mr. THOMPSON: How would it be to have section 4 read:

Every agreement made in pursuance of this act shall continue in force until after the expiration of ten years from the date upon which notice of intention is given by either party to the other to determine the same.

Mr. ELLIOTT: The answer, it seems to me, is exactly the answer that has been given before, that there is no intention to force the province to continue any agreement with the Dominion after it wishes to withdraw.

Mr. BOYS: Clause 5 does that.

Mr. ELLIOTT: No. Clause 4 says the province may terminate it at any time, that is by repealing its statute.

Mr. BOYS: The scheme too.

Mr. ELLIOTT: Everything. The agreement and the scheme are practically one thing. By section 4, if the province wants to terminate the scheme and the agreement, it repeals its statute; or if the Dominion wants to terminate it gives ten years' notice. In other words, under section 4 you can terminate by repealing your statute, but under section 5 you cannot change the scheme without the consent of the governor in council.

Mr. MANION: You cannot change. the details.

Mr. BOYS: Then if the province is not satisfied with the scheme, all it has to do is to terminate the whole business?

Mr. ELLIOTT: Yes.

Mr. McGIBBON: Does not the minister see that under a regulation of that kind a great hardship might result to pensioners? Surely he must see the absurdity of it.

Mr. IRVINE: I understand the minister explained just now that we could not fix a ten-year period for clause 4 that would be binding on the provinces because they might not want it. In subsection 3 of section 9 we are providing for the recovery of pension payments out of the deceased pensioner's estate. I am not sure that the province of Alberta wants to do that. But if we can legislate to compel the provinces to sell the effects of deceased pensioners and turn the proceeds into the general fund, why cannot we fix a ten-year period? Is there any difference in the two cases?

Mr. CANNON: All these provisions alluded to by my hon. friend can only become effective if the provinces give their consent to them. Otherwise we would be legislating outside our own jurisdiction. We are dealing with property and civil rights and this is a matter that comes within the purview of the provinces. By their consent, however, we can always legislate in this field and the clauses to which I have referred can, as I have pointed out, become effective only with the consent of the provinces.

Mr. IRVINE: Is not that true of clause 4?

Mr. CANNON: That is the point I am making. In clause 4 we are not imposing anything on the provinces.

Section agreed to.

Sections 5, 6 and 7 agreed to.

On section 8—What persons are pensionable.

Mr. MANION: I want to offer a suggestion which has been submitted to me by the Canadian Legion and which I think is fair. It is to the effect that returned soldiers who have served in any theatre of war—I am really adding the qualification "who have served in any theatre of war"—be pensionable at the age of sixty-five instead of seventy, in the event of their having become prematurely aged as the result of such service. I move in amendment, seconded by the hon. member for Burrard, that the following words be added to paragraph (b) of subsection 1 of section 8:

—or in the case of returned soldiers who have served in any theatre of war and who have reached the age of sixty-five years.

Medical men on both sides of the House know that a large proportion of these men who actually served in any theatre of war were subject to nervous shocks, from shells and other causes, which have made them prematurely old. In many cases they have been injured beyond remedy although they cannot physically establish the fact. They are incapacitated to a large extent from work of any kind, and while medical examiners may be convinced of the fact they are unable to recommend a pension under the pensions act simply for the reason that no demonstration is possible. It would be a splendid thing for this parliament to show its appreciation of these men who have fought for their country and I hope that the government will adopt this suggestion.

Mr. STEWART (Edmonton): In such cases as the hon. member mentions, would not such soldiers be pensionable or be given a larger pension?

Mr. MANION: There are many men who would receive consideration from the pensions board because of such injury as I allude to.

Mr. STEWART (Edmonton): They would draw larger pensions, would they not?

Mr. MANION: Yes, provided they could prove their injury; and in that case, of course, they would not come under this legislation. But, as I am pointing out, in many cases returned soldiers, although they may be genuinely incapacitated, cannot demonstrate their injury to the board. Every medical man who has had any dealings with returned soldiers knows very well that there are many such men who, to medical men, are obviously unable to perform their duties as efficiently as they formerly did. Unfor-

tunately, however, they cannot demonstrate this to the board. Injuries of this description are known in medicine as functional; they are more or less imaginary. There is no organic disorder, the patient's condition being due to nervous weakness which cannot be demonstrated. There is no actual change in the bodily structure. There are thousands of men in this country—I say this advisedly—perhaps tens of thousands in this category who have a moral right to consideration under this legislation but who will not get it. It is that type of man I want to reach.

Mr. McQUARRIE: The amendment proposes a reduction in the age limit of five years in regard to a certain class of the population. It may be possible, and I hope it will be, for the minister to reduce the general age limit to that extent.

The CHAIRMAN: Before there is any further discussion of the proposed amendment I may observe tentatively that in my opinion this motion falls in the same category as some of those proposed this afternoon. The amendment moved by the hon. member for Fort William seeks to have the age limit reduced to sixty-five years in the case of returned soldiers who have served in any theatre of war. The general age limit fixed in this bill is seventy years. The amendment would widen the scope of the bill in relation to returned men and, if adopted, would conflict with section 170 of rule 13, which provides:

> The committee of supply cannot increase a grant which has been recommended by a message from the Governor General. It is also irregular to increase any item in a resolution. But any motion to reduce a grant will be always in order.

In my opinion the effect of this amendment would be to increase the grant contemplated and for that reason I am inclined to consider the motion out of order.

Mr. CLARK: Apart altogether from the question whether or not the amendment is out of order, I submit that it is quite in order for a member at this stage to discuss the proposed age limit. Before you rule on the admissibility of the motion, Mr. Chairman, if you have not done so already, I am going to ask the government to adopt the suggestion which has been made by the hon. member for Fort William and move it as a government amendment. I support it, not because I believe that it is going to meet the situation which is developing in this country to-day in regard to the prematurely old; I do not think it will do so. I took up this afternoon with the Minister of Soldiers' Civil Reëstablishment a case which is typical of a great many and which will have to be dealt with by the government sooner or later if this country is to do its duty. We feel very strongly that the ordinary man who served in any theatre of war has been incapacitated to such an extent that his life, so far as its usefulness is concerned, has been shortened by at least five years. Certainly the period during which he will be able to provide for himself and his family has been reduced to that extent. The typical case I want to submit to the government is the one which I discussed this afternoon with the Minister of Civil Reëstablishment. Here is a man who enlisted for service overseas and whose capacity apparently was one hundred per cent fit. He returns to Canada an invalid. After a couple of years his pension is commuted. He has been getting a small pension which is commuted to $300. But in about another year the man has become practically eighty per cent disabled, and I want to say this—that the pension doctors admit that his disability is due to his war service. They admit that, or they admit it to this extent: They say that he is disabled eighty per cent, but that his disability has merely been aggravated by his war service and that he is therefore not entitled to the full pension provided for by the Pensions Act, but they give him a pension for the aggravation only. Now in the particular case that I have before me there are numerous affidavits filed with the department to the effect that the man was one hundred per cent fit when he went overseas. To-day the pension doctors admit that he is one hundred per cent disabled. He is an invalid, in bed; he has ten children, and he is 56 years of age. Two of his sons were killed overseas, and one won the military cross. Two returned and one is engaged in looking after his own wife and family. Another I think is not married but is looking after his own reëstablishment. Of the other six one is dead, but the remaining five are young children. This man is on his back, and his wife has been obliged to keep a boarding house. She is breaking her health in an attempt to look after her invalid husband. This country says that man is only entitled to be paid a fifty per cent pension because his disability, as it is said, is only an aggravation of something that existed before. But the man was one hundred per cent fit when he enlisted, so far at least as his power to engage in his occupation was concerned. Now I say that that is not right; it is something this parliament should take into consideration. The case I have cited is of course an extreme case so far as the principle of old age pensions is concerned, but there are thousands of men

in this country who are prematurely aged, who are not suffering from a disability admitted to be a disability due to the war at all. These men are incapable of earning a livelihood, and I say that this government might well to-day adopt the principle suggested, and give to these men a pension at the age of sixty-five. I make the suggestion now that the time has arrived when a survey of the conditions in this respect should be made and a provision introduced into the bill that will take care of this situation, which is becoming a very serious one indeed.

Mr. KING (Kootenay): I think my hon. friend's remarks would be proper under certain conditions. But he is interjecting into the old age pensions bill, which was never intended to cover such cases, matters relating to the pension act and legislation pertaining to the returned soldier. Other legislation has been enacted to meet such cases. If that legislation requires amendment to meet the situation my hon. friend speaks of, and I think in some respects it does, let us deal with it when we come to it and not involve such matters in a bill of this kind. That was stated two sessions ago, and I think last year, and generally accepted, and it would be a great mistake to deal with the soldier problem under such an enactment as is proposed here. Undoubtedly there is developing in Canada a problem in regard to returned soldiers, the cases of men who are becoming prematurely old on account of their services. That will be a problem this parliament will have to consider, but I do not think it should be thrust into such a discussion as we have had to-night.

As regards a survey of the situation, surveys are being made from time to time. There are various veterans' organizations throughout Canada that meet annually and many of them are making suggestions as to their conditions and requirements. Those are being presented to the Department of Soldiers' Reëstablishment and by that department, or by the government, are being brought to the attention of parliament. But I think it would be a mistake to inject into a bill of this character, matters which should be to some extent provided for by special legislation.

Mr. MANION: I do not think the Minister of Health is correct in suggesting that there would be an injustice to anybody if we injected, as he termed it, this matter into the old age pensions bill.

Mr. KING (Kootenay): Not injustice.

Mr. MANION: Then if there is no injustice I do not see where there should be any objection to it. I do not see why we should not inject it into this bill as we have already done in the case of the Civil Service Act. In that act we give a preference to the returned soldier, and quite rightly, and I certainly see no reason why we should not do so in the present bill.

Mr. ADSHEAD: Is not the Civil Service Act purely a federal measure, and would we be justified in saddling this added responsibility upon the provinces?

Mr. MANION: I see no reason, if this legislation is saddled upon the provinces, why they should not have to deal with the returned soldiers also—I see no reason against it. The chairman stated that he was going to rule this out of order. I rather imagined it would be ruled out of order if he adheres to the letter of the law—I will not argue it is a question which should not be ruled out—but if it is ruled out I think the government will be taking not only a wise course and a proper course from the standpoint of the returned soldiers, but taking a good political course also—and they know how to play politics better than anybody else in the House that I know of. And so it might be wise to play a political part along this line and adopt the suggestion. The Minister in charge of the Department of Soldiers Civil Reëstablishment should be supporting my suggestion and not opposing it. The Minister of Public Works might adopt it and make it his baby. I will not object. He can take the paternity of it if he likes and make a motion on behalf of the government. What I am trying to do is to get the idea adopted. I do not care who gets the credit as long as it is adopted and put in force for the good of the returned soldiers.

Mr. LADNER: I rose just for a moment to answer the point which was raised by the Minister of Health. For myself I am heartily of the opinion that something should and must be done in connection with these returned men as to whom the hon. member (Mr. Clark) gave a very typical case. We are all getting scores of cases of that kind, and as time goes on there is being developed a real need for consideration on the part of those men whose health is impaired, but which impairment according to medical science cannot be attributed to military service, to use the language of the act. But as I understand the purpose of the amendment it is really within the realm of the general principle of old age

pensions. It applies to men who have served in a theatre of war and whose health has to some extent been impaired. Whether it be through a sense of justice or whether it be gratitude for their services these men who find themselves in impecunious circumstances at the age of sixty-five should be entitled to an old age pension, but without regard to whether at an earlier stage of their life, through disabilities arising from military service, they should or should not have received military pension. I would ask the minister to consider that aspect. The purpose of this resolution is quite different; this is to provide for an old age pension, but the amendment would provide a pension for a class of men who have done a service to the nation and who, from the fact that they have seen service in the war, have attained old age at sixty-five where an ordinary man would not reach old age until seventy.

Mr. BROWN: The hon. member for Fort William has left. I wanted to ask him a question.

Mr. CLARK: He will be back in a moment; he has just gone to the telephone.

Mr. BROWN: Perhaps the hon. member for Burrard (Mr. Clark) would be able to give me an answer. I would like to know whether in the view of those supporting this amendment its immediate effect would be to take in any considerable number of men. I imagine myself that such would not be the case. It seems to me that of necessity the number of men who would immediately benefit by such a provision would be very small, and would continue to be small during the next five or ten years.

Mr. CLARK: I might inform my hon. friend that it was surprising how many enlisted men, even in the early stages of the war, were over fifty years of age.

Mr. BROWN: I quite agree that there are large numbers of men who can show no wounds but yet are physically disabled as a result of the war. One of the worst cases I ever saw had no trace of a wound, yet he was a complete nervous wreck. The question in my mind was whether this would have any immediate value.

Mr. CLARK: That is the only answer I can give the hon. member.

Mr. McGIBBON: I would like to support this suggestion, which brings up the difficulty of trying to set an age limit. Any medical man like the Minister of Health knows that many men are older at fifty than others at sixty and seventy, due in many cases to inherent causes. For instance, the arterial condition has a pronounced effect on the length of life, and that condition runs not only through families but through generations. The mode of life would also make a difference, and there is no question at all in my mind that any man who went through the trying ordeals of the war, especially in the front line trenches, has had his span of life shortened by anywhere from five to fifteen years, and in many cases more. If this parliament is to do justice to these people who have reached that stage of their life where they can no longer earn their own living, the age limit should not be set at any particular period. The period at which this act should operate is that period when the man or woman can no longer, through physical or mental causes, earn a living. I raised the objection before and I raise it now, that seventy years of age is too late in life for this act to be of any material value. Speaking offhand I would say that from seventy-five per cent to ninety per cent of the people of this country who should benefit under this act will never do so if the age limit is left at seventy years, because dissolution will have set in long before that. If this is to be a humanitarian act we must put the age limit at such a time as will benefit the people concerned, and that must be the time when their conditions no longer allows them to earn a living. As one who served in the front line trenches and who watched the operations of the war I say that in the cases of these men the limit of their earning capacity will be reached anywhere from five to twenty years earlier than in the case of those who remained in civilian life. Consequently I think the point raised by the hon. member for Fort William is well taken and should be considered by this House. I do not say that the period should be arbitrarily fixed at five years; I do not know what period it should be fixed at and I do not think any member of this House knows. I do say, however, that if you are going to administer this act in the spirit of equity it cannot be so administered as presented to the House to-night. Consequently I have much pleasure in supporting the amendment.

Mr. SPEAKMAN: The point raised by the hon. member for East Calgary (Mr. Adshead) in this connection is a sound one, I believe. Premature old age is a war disability, as we are finding out more and more, and I believe it will have to be dealt with in the future through our pension act or through some form of assistance to old soldiers who are unable to carry on. I do not believe, however, that

it is quite sound to incorporate such a suggestion in an old age pension act which is primarily a provincial matter, which must be administered by the provinces and half the cost of which must be borne by the provinces. In my opinion it would seem that the federal government would be passing off a part of its responsibility for war disabilities to governments which have no responsibility in that connection at all.

Mr. MANION: Why did not the provincial governments have as much responsibility for the war as the federal government?

Mr. SPEAKMAN: It has been generally admitted in this House and in the provincial houses that any disability arising from the war is the responsibility of the federal government alone.

Mr. McGIBBON: That is all nonsense.

Mr. SPEAKMAN: I have looked the matter up, and that is what I find. I believe it would simply mean that when the time comes for the revision of the pension act to deal with these cases, that work would be handicapped by the fact that this legislation had already been passed. We in this House must not shirk our responsibility, and that responsibility must be carried out in a more generous way than is allowed under this measure. I think the objection is a sound one, not because I believe those men should not be taken care of but because I believe premature old age due to war service is just as much a war disability as wounds or gas or nervous troubles.

Mr. MANION: But these men are not being looked after.

Mr. SPEAKMAN: They will be looked after, and in my opinion this will only be passing the buck to the provinces and would in the long run prevent or delay the passing of such legislation by the federal government.

Mr. EDWARDS (Frontenac): I think every member of this House has had men come to him or write him who have served in the theatre of war but who have been unable to get on the pension list; there are many such cases. I have no doubt whatever that generally speaking the ages of these men have been advanced by at least five years. That is to say, comparing a man who did not go to war at seventy years of age with a man who did serve in a theatre of war, we may take it as a general proposition that the second man is old at sixty-five. In regard to this matter, Mr. Chairman, I find myself very much in agreement with the Minister of Health. This old age pension scheme is one in which the federal government is asking the coöperation of the provinces, and the responsibility for the administration of the act will be placed upon the provinces. In regard to pensioning those soldiers who become old at sixty-five, or younger than that if you like—

Mr. STEWART (Edmonton): Probably sixty.

Mr. EDWARDS (Frontenac): Very true. I say that is a responsibility that primarily, and secondarily, and all the way down the line from A to Z, rests upon the Dominion of Canada as a whole. It is not the province of Ontario or the province of Quebec or any other province on which the responsibility rests for sending the men to the war. It was the Dominion of Canada that had that responsibility, and it is a duty devolving upon the people of the whole of Canada and the federal government to look after and provide for the soldiers who saw service in the war. It may be that there are not many of them at the present time who are nearing sixty-five, although I do believe that there were very many men who saw service overseas, who in their zeal to go across misrepresented their age, representing themselves as younger than they actually were. But apart altogether from whether you put the age limit at sixty or sixty-five, we have got to consider, and I think we ought to consider it now, the best ways and means of facing this problem. It is a solemn and sacred duty resting upon the government of this country to consider carefully how we can play the game and keep faith with the men who served overseas in the theatre of war and whose earning powers were thereby depreciated. It is our duty, and no part of that duty, as a matter of principle, should be placed upon any province. If you shift that responsibility or any part of it on to any province, it will bear more heavily on some provinces perhaps that it will on others. You avoid all that by the federal government assuming what is properly a responsibility resting solely in my judgment upon the federal government. The matter is one which in my opinion should be brought in separately, apart altogether from this old age pension act. It is something which ought to be dealt with, and dealt with speedily, in order that we shall not be disgraced, as all of us should feel we were disgraced, if in the years to come men in dire circumstances and in need of assistance were pointed to as men who had been forgotten by the country they served. We should provide against that by putting on our statute books at the earliest possible moment legislation which will make ample provision for any such cases.

Mr. ELLIOTT: I just wanted to say a word in answer to some of the suggestions of the hon. member for Fort William. I think we are all agreed that the fullest possible measure of justice should be meted out to the men in this country at the present time who find themselves impaired in health and efficiency on account of their war service. But may I just point out to my hon. friend, who put the question more or less to me, that it is not a new question. It was discussed last year at considerable length with regard to reducing the age limit for certain classes, and the most pathetic appeal perhaps that came to the government during the whole course of that legislation was the appeal that was re-echoed by the hon. member for St. Lawrence-St. George this afternoon on behalf of the blind. There are several classes who feel, honestly and sincerely, that they should be entitled to come within the purview of this act, and at an age far below the seventy year limit. That matter was carefully considered last year, and it was thought to be unwise in the interests of old age pensions to attempt to make an exception on behalf of any one particular class. I think the House is fairly unanimous in regard to that at the present time.

I quite agree with what has been said by the member for Fort William, the member for Vancouver-Burrard and other hon. members. I know, having been Minister of Soldiers Civil Reëstablishment for a time, how interested these hon. members are on behalf of returned soldiers, who certainly are entitled to every consideration. But may I call attention to the fact that the special committee that considered this question did not recommend a pension for those under seventy years of age—

Mr. CLARK: That point was never considered by that committee.

Mr. ELLIOTT: That was in 1924, when the war had been over for six years, and if it were not considered by that committee, that is not the strongest evidence my hon. friend could adduce that it was a very live issue so far as this bill is concerned

Mr. McGIBBON: Nobody says that it is a live issue anywhere in Canada.

Mr. ELLIOTT: Perhaps my hon. friend will finish later on. May I call attention to the fact that in England up to 1925 there was no exception to the seventy year limit, and only after 1925 was the contributory provision introduced. Perhaps the strongest argument, and the one that must appeal particularly to those who have been looking after the interests of the provinces, is that raised by the hon. member for East Calgary and the hon. member for Red Deer, supported by the hon. member for Frontenac-Addington, that pensions for returned soldiers is a federal matter.

Mr. IRVINE: Is not that the very reason why it should be taken up here and in this bill? If we agree that service at the front has reduced the longevity of earning power of a soldier by five years, and he becomes indigent in Alberta at sixty-five, does it not fall upon that province to take care of him until he is seventy without any aid from the federal government at all? For that very reason I argue that we ought to provide for that class in this bill.

Mr. ELLIOTT: I cannot agree with my hon. friend, and I think on second thought he will agree he has taken an incorrect view of the situation. Whatever pension a man is entitled to on account of impaired efficiency due to war service must surely be a federal matter, and not a matter resting upon the provincial government. For the reasons given, I think that the bill will be in danger, and you are not assisting I believe the cause that we all want to assist, if you make any exceptions in favour of any particular class. The matter was considered, as I said, a year ago, and the best judgment of the whole House at that time was that it would not be wise at present to attempt to go further than to put through a bill that would give relief to those over seventy years of age.

Mr. McGIBBON: Would the minister seriously argue before this House that the qualification for a pension should be age limit rather than incapacity to earn a living? Surely the only justification for an old age pension is that a man's physical infirmities unfit him to earn a living. There is no other justification for it under heaven.

Mr. ELLIOTT: My hon. friend is quite right if he is dealing with inefficiency pensions, but this is an old age pension. Age is the basis of limitation.

Mr. McGIBBON: Surely the minister will not seriously contend that a man who is physically fit at seventy and can earn a living should have a pension, while a man who is physically unfit at sixty-five and unable to earn a living is not entitled to a pension.

Mr. MANION: I cannot agree at all with hon. members, whether they belong to my own party or other parties, who claim that the

provinces have no responsibility in regard to the returned soldier. I think it is not only a Dominion responsibility but a provincial, a municipal and a personal responsibility. I do not admit at all that these pious platitudes which we hear that we should treat the soldier the best we can is going to do the soldier any good, whereas a clause in this bill giving the right to the returned soldiers to have a pension at the age of sixty-five, when many of them are old men long before that, due to the war, would be of some benefit to them. I submit once more that the provinces should be very happy to take the attitude that they should help returned soldiers who require help. It would apply only to those who needed help, and probably only a small number would come under it. The argument that we should place legislation on the statute book to look after these returned soldiers seems to me to be a sound one. But we have not that legislation on the statute book, and thousands of returned soldiers in this country are incapacitated from earning their living because of services at the front, so that I look upon it as the duty of the government presenting this bill to make it apply to returned soldiers with some better advantage than it is applied to the ordinary workingman. I hope the government seriously consider this matter. The position taken by my good friend the Minister of Public Works every time anybody offers suggestions about the bill, that we are hindering the bill and going to do harm is, with all due respect, not well taken—I was going to say ridiculous, but I do not wish to be disrespectful. The different bills are brought into this House and submitted to hon. members in order that they may offer suggestions and propose amendments. The Minister of Health took three-quarters of an hour in presenting his argument, and the gist of his whole speech was that we should accept the principle of the bill. Well, we accepted it on the second reading, but I think we should endeavour to look after our returned soldiers a little better than we look after the men who did not go to the front, and I do not think the House would be doing any injury to the provinces or to the people generally by giving the returned soldier a little better benefit than we are giving the ordinary citizen.

Miss MACPHAIL: Why place the age at sixty-five? Many men much younger than that are totally or almost totally incapacitated on account of the war, and they are not covered by the provisions of the act. Why should we make the age sixty-five? I would be willing to include all soldiers who are unable to make a living under the pension act, no matter what their age may be.

Mr. MANION: I desire to express my gratitude to the hon. member for Southeast Grey for her supporting of my contention, and I will go as far as she will in that direction. But seeing how hard it is to get an acceptance of my suggestion as to sixty-five years, how much more trouble would I have if I proposed that the age should be placed at sixty? I am suggesting that sixty-five shall be the age. If the hon. member for Southeast Grey can convince the minister to go lower than sixty-five I will back her up to the last dollar.

Mr. STEWART (Edmonton): It appears to me that the hon. member for Fort William has rather answered his own argument. We are all very much interested in seeing that the men who fought in the theatre of the war should have special consideration.

Mr. McGIBBON: Why do they not get it?

Mr. STEWART (Edmonton): The act which was passed by parliament in that connection is being administered. If the act requires amendment, I suggest that we amend it. It has been well understood between the provinces and the Dominion that the Dominion government would shoulder first the responsibility of the war, and I think in that respect my hon. friend's position is well taken. If men who performed war service are under the existing pension act unable to receive consideration, the act should be amended. That is the direction in which we should move.

Mr. MANION: It has been amended very many times, but it has not reached many thousands whom it could reach.

Mr. STEWART (Edmonton): Then amend it, and let this House do the amending. My next point is that I do not think the case of the returned men should be confused with those who will come under the provisions of the act for pensions for disability. All the people who reach seventy years of age are not going to receive pensions. It is only those unable to support themselves who will come under this measure.

Mr. MANION: It is true of the soldiers.

Mr. STEWART (Edmonton): The same thing applies to them. But my contention is, that the provincial authorities should not have the responsibility of dealing with these cases; that it is purely and simply a federal matter and should be dealt with accordingly.

Mr. MANION: Does my hon. friend forget that all day the members on this side of the House have taken the attitude that this whole thing should be a federal matter? The minister was taking the opposite position, but now he is defending the provinces.

Mr. STEWART (Edmonton): No, you cannot put it in that way. The provinces and the Dominion should assume their own responsibilities. I am not suggesting that we should adopt my hon. friend's amendment, placing the full responsibility on the Dominion government, in a measure of this kind, but I am willing to go any length my hon. friend will go to amend the pension act to take care of the returned soldier.

Mr. BENNETT: I think the minister has not apprehended the point. If to-day a citizen in Calgary or Edmonton who served in the war is unable to support himself, he is a charge upon the municipality and not the Dominion.

Mr. STEWART (Edmonton): I say he should not be.

Mr. BENNETT: And the Dominion has declined always to contribute to the municipality for the purpose of his support.

Mr. STEWART (Edmonton): Is my hon. friend not wrong in that statement so far as the returned soldier is concerned?

Mr. McGIBBON: No.

Mr. BENNETT: The minister is talking about war disability as distinguished from indigence. If a man of forty who went to the war is unable to support himself and his family, the municipality has to support him.

Mr. STEWART (Edmonton): Where it was demonstrated that the indigent was a returned soldier, the full payment for relief was given by the Dominion.

Mr. CLARKE: Under what legislation?

Mr. STEWART (Edmonton): Up until a year ago.

Mr. CLARK: No.

Mr. McGIBBON: Every medical man in this country knows, as I fancy every member of parliament does, that there are tens of thousands of ex-soldiers in this country who are incapacitated and unable to make a living, and who have not been able to attach that incapacity to the federal government and get a pension. In order to get a pension you have to attach yourself to a physical disability. Many men in this country are like a battery which has been discharged and cannot be recharged. They are physically and mentally incapable of making a living; they are a charge upon the municipality and you cannot fasten that responsibility upon the pension board. I have tried it, every member of this House probably has tried it, certainly every medical man has tried it. That is the case we are pleading to-night, the case of the man who cannot attach his disability to his war service in such a degree as to get a pension, and yet he is a charge upon the state. Those cases are existing in thousands. They were physically fit when they went to the war, but to-day they are physically unfit. The contention of the hon. member for Fort William (Mr. Manion) is perfectly correct: those men should have consideration not only in this but in every other legislation of a similar character.

Mr. ROSS (Moose Jaw): Mr. Chairman, I agree with some of the members on the other side that there are a great many returned men in this country who should have pensions. They may not be able to show that their disability is connected with the war, nevertheless it is due to the terrible trials they went through at the front. As a result their systems have become weakened and in some cases they have since contracted disease which had they been in a normal condition of health they would not have been subject to. Those men to-day are a charge upon the state, but I cannot see that putting the age limit at 65 in this bill will help them very much, because it will be twenty years before many of them can take advantage of it.

Mr. MANION: This government would not have anything to worry about then.

Mr. ROSS (Moose Jaw): I think legislation should be enacted whereby any returned man who is unable to earn a living, whether due to his war service or not, should be looked after by the Dominion government.

Mr. CLARK: Mr. Chairman, I would draw the attention of the government to remarks that were made in this House nearly five years ago when this very problem was brought to the attention of the government. I well remember that the minister in charge of pensions at that time, the Hon. Dr. Beland, made the same statement that the present minister and several of his colleagues have made this evening, namely, that this is a federal responsibility which comes under the soldier legislation, the Pensions Act, and that if that act is not broad enough to take care of these cases it should be amended. I am in full agreement with that. But I ask, why,

when this situation was recognized by the government five years ago and by the then Minister of Soldiers' Civil Reëstablishment, it has not been dealt with. That is why we make this suggestion to-night in order that, something may be done to take care of the situation.

Mr. STEWART (Edmonton): During all these years large sums have been paid out annually for this very purpose.

Mr. CLARK: Not to take care of these cases at all. They are not being dealt with and have not been dealt with by any legislation. They may have been dealt with spasmodically by some unemployment relief, more or less applicable to all classes in the community. This is an entirely different situation. The member for Moose Jaw (Mr. Ross) said that this legislation will not help the returned men because it will be twenty years before they can take advantage of it. I repeat what I said a few minutes ago. I know of many returned soldiers who were over fifty when they enlisted, and who would qualify to-day if this measure were in force and the age limit were 65. In fact there are many who would qualify at the age of 60. I suggest that most of these men lost five years from their commercial enterprises and their lives have been shortened probably by five years. That in my opinion should make them qualify ten years younger than the average man. We are only asking that they qualify five years younger. That request, I think, is very fair and reasonable.

I agree that this is a Dominion responsibility, and that the pension act should be amended, but I do not believe that any province will object to do something towards alleviating this situation. The member for Wetaskiwin (Mr. Irvine) made the point very clear. If at the age of sixty-five these men are indigent and unable to take care of themselves by their own labour, they become a charge upon the municipality and upon the province in which they reside, and the province must care for them anyway. Why not recognize that situation now, and if the responsibility is federal let the federal government say, We will contribute one-half of the amount that the municipality or the province is obliged to contribute by reason of that situation.

Mr. McQUARRIE: I agree with what has been said by the previous speaker. As a matter of fact, last session I made a similar suggestion to the House, and the present Minister of Health then took the same stand that he takes to-night. In answer to a question by myself he admitted that the government did not propose to bring in any legislation at that session to meet the situation. I suppose the same answer would be given to-night as to giving a preference to the returned men in this connection. I go a little further. In my opinion the age of 70 is too high, and the limit should be considerably reduced. I do not suppose the minister will consider any suggestion in that connection because he has said we must take this bill as it is, he will not entertain any amendments. My proposition is that if we are going to have old age pensions we should deal with them on a proper scale, and should not take the lowest scale prevailing in any other country. I have in my hand a pamphlet issued by the Department of Labour last session entitled, "Old age pension systems existing in various countries." It was published as a supplement to the Labour Gazette of March 1926. This pamphlet gives the age limit in England as between 65 and 70 years; in Australia pensions are paid to men at the age of 65 and to women at the age of 60, but a man who is permanently incapacitated may begin to receive a pension at 60; in New Zealand pensions are payable to men of the age of 65 and to women at the age of 60, unless the applicant is a parent of two or more dependent children under 14 years of age, in which case the age limit is reduced by five years; in Czecho-Slovakia the age limit is 65; in Denmark, 65; in France, 60; in Germany, 65; in Iceland, 60; in Italy, 65; in Luxemburg, 65; in Spain, 65; in Sweden, 67; in Switzerland, 65; in Uruguay, 60; and in several of the states it is 60. I must say in all fairness that in some of these countries contributory or insurance systems are in operation; but that makes no difference to my argument, which is that the age limit in this bill is too high. I suggest to the minister that notwithstanding his previous statement he should once more consider putting Canada on a reasonable basis in regard to old age pensions.

Mr. RYCKMAN: We have heard a good deal about the care which this government was going to take of the returned soldiers who could not obtain consideration under the Pensions Act, but up to the present time nothing has been done in this direction. There has not been even a gesture. Now we are considering old age pensions, and I will ask the Minister of Public Works where he would provide for old age pensions if not in the old age pensions bill itself. The marginal note to the section under consideration is, "What persons are pensionable", and the section enumerates those eligible. If there is a proper place to deal with old age pensions

surely it is here. The amendment is a very simple one, for no legislation of the nature proposed in that amendment could be so conveniently dealt with as in this bill. That is obvious to anyone who will consider the matter. Oh, it is said, the amendment in so far as it relates to the returned soldiers is a wholly federal matter. We do not object to that of course, but it is not altogether a federal matter. These men are and have been a charge upon the municipalities, and if the amendment proposed by my hon. friend from Fort William is adopted it will give a certain relief to those who have been helping to take care of the returned soldiers. The municipalities would be only too glad to welcome the amendment. These men gave five years of their lives to their country in time that actually elapsed, while they have sacrificed much more in the physical disability they have suffered and which, because they cannot demonstrate it, prejudices them with the pensions board. Those upon whom the night of old age has come five years earlier by reason of war service should be recognized in this section. The amendment, literally, will not take up more than a line and a half, and this is the proper place to deal with the subject it covers. The House has said to-night that it wants to do the right thing by returned men of the class described, and we have heard from the government that it desires to take care of such men. Now the opportunity offers and the government declines.

Miss MACPHAIL: Will the government promise the committee to-night that returned soldiers who are not covered by existing pensions legislation, and who are not able to earn their living because of a breakdown in health due to the war, will be taken care of by amendments to the pensions act to be introduced at an early day? Will the government give us that assurance if we let this bill go through as it stands? Now that the government is going to ask for an increased vote for national defence it seems to me that we should take care of the results of the last war before we prepare ourselves for the next. For my part I should be willing to see Canada incur any debt within reason to make happy and contented those men who suffered so much in the last war. What has been said in all parts of the House to-night is quite true. Every one of us is receiving many requests from neighbours and friends of men who cannot earn their living because of injuries received in the war and who are not covered by existing pensions provisions. Will the government make a statement giving us some assurance in this regard?

[Mr. Ryckman.]

Mr. KING (Kootenay): This discussion is interesting and helpful and if it would meet the situation to fix the age limit at sixty-five I personally would not object. But I know that it will not have this effect, because there are many returned soldiers who become prematurely old at fifty, fifty-five, sixty and sixty-five. The problem raised by the hon. member for Fort William we shall be called upon to consider in a different manner from the way he proposes to deal with it. Since the war—this is true also of the actual war period—there has been a distinct understanding in this House between the opposing parties that soldier legislation would not be considered from the standpoint of politics. It has always been understood that there would be no politics in any provisions made for the soldiers. From time to time cases have come up before parliament for consideration of the interests of the returned men, and these matters have always been referred to parliamentary committees, who have ever been ready to hear the representations of the soldiers through their organizations. I do submit that it would be better for us to leave the question proposed in this amendment to be dealt with in that way rather than allow it to become a political issue. Do not let us have it said that the government or the opposition did not do this or that.

Mr. MANION: If the minister will agree to deal with the matter this year I will withdraw the amendment.

Mr. KING (Kootenay): I will agree to this: The government will follow the practice, which has heretofore obtained and which I believe is the wisest one, of referring to a parliamentary committee such amendments to the soldier legislation now on the statute books as may be deemed advisable and such as will provide, if possible, more generous and more equitable treatment for the returned men who have served overseas. These matters can be best dealt with by such a committee, where they can be thoroughly discussed without political bias and with a view to obtaining the best judgment which careful consideration can suggest. It would be harmful, in my opinion, to adopt this amendment. As I have said, it will not meet the situation; it will merely serve as a barrier against many of these men who will be prematurely old at fifty-five and sixty. There is no question about that.

Mr. MANION: What sort of barrier?

Mr. KING (Kootenay): My hon. friend proposes in this amendment to deal with a

certain section of the returned men; perhaps later on we may have to consider the case again. Why not keep the two branches of legislation separate and distinct?

Mr. MANION: That is the intention of the government—to keep it distinct.

Mr. KING (Kootenay): Let us be fair. It is easy to start a discussion of this kind for the purpose for which it is begun.

Mr. MANION: What purpose does the minister imply?

Mr. KING (Kootenay): To draw the attention of the committee away from the matter under discussion.

Mr. MANION: Nothing of the sort. I submit, Mr. Chairman, that the minister is imputing motives to me, and I demand a retraction of that statement. I rise to a point of order and demand that the minister retract that remark.

Mr. KING (Kootenay): I have not imputed anything to my hon. friend; I have merely suggested certain inferences that may be drawn and I do not think I have anything to take back.

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

Mr. KING (Kootenay): Nothing is imputed.

Mr. MANION: I rise to a point of order. The Minister of Soldiers' Civil Reëstablishment should be spending his time fighting for the soldiers instead of fighting against them.

Mr. KING (Kootenay): That is unfair. I object to that statement and the hon. member should withdraw it because it is not borne out by the facts.

Mr. MANION: The Minister of Soldiers' Civil Reëtablishment made the statement a minute ago that I had introduced this motion—

Mr. KING (Kootenay): I did not refer to you at all.

Mr. MANION:—for the purpose of drawing the attention of the House from the old age pensions bill and I say he had no right to impute that motive to me. He had no right to impute any such motive to me and I demand that he retract it.

The CHAIRMAN: I followed the hon. minister very carefully and I did not hear him impute motives—

Some hon. MEMBERS: Oh, oh.

The CHAIRMAN:—to the hon. member for Fort William (Mr. Manion).

Mr. CLARK: Then may I ask to whom the imputation was directed?

The CHAIRMAN: I thought the minister's remarks were very generally applied.

Mr. MANION: He applied them absolutely to me.

Mr. KING (Kootenay): My hon. friend is too sensitive. There is no intention, as I have already said, to impute improper motives to him or to his party, but I do say that a moment ago my hon. friend did not make a fair statement.

Mr. MANION: I did make a fair statement and one that was a good deal fairer than your own.

Mr. KING (Kootenay): My hon. friend said I was fighting against the interests of the returned soldier.

Mr. MANION: So you have been all the evening.

Mr. KING (Kootenay): I take exception to that. It is an unfair statement and one which would not be made by many members of this House.

Mr. MANION: Well, I make it.

Mr. KING (Kootenay): You make it?

Mr. MANION: Yes.

Mr. KING (Kootenay): You are not accountable sometimes for the statements you make in this House.

Mr. McGIBBON: Mr. Chairman, I rise—

Mr. KING (Kootenay): I do not wish to continue this discussion. I merely tried to point out that the proposal of my hon. friend will not, in my opinion, bring about the desire which he has in mind and also those who support him.

Mr. McGIBBON: Mr. Chairman, I rise to a point of order. Are you going to allow a minister of the crown to cast insinuations against a member of this House? I ask for your ruling.

The CHAIRMAN: The hon. member for Muskoka (Mr. McGibbon) will have to explain what the point of order is before I can give a ruling.

Mr. McGIBBON: I can very easily tell you. The minister has just stated that the hon. member for Fort William was sometimes not accountable for what he said.

Mr. KING (Kootenay): I think the hon. member for Fort William can well take care of himself.

Mr. McGIBBON: I do not purpose allowing this to go without an answer.

The CHAIRMAN: My ruling is that there is no point of order.

Mr. STEVENS: A free-for-all.

Mr. MANION: Perhaps the minister will square himself by admitting that he is often unaccountable himself.

Mr. KING (Kootenay): I will state this to my hon. friend, that if I said anything which caused him to be riled and stirred up I am sorry for it. But I have not made imputations in the same way that he has made them in regard to myself.

Mr. MANION: The hon. minister made an imputation first regarding myself. He made an absolutely unfair and unnecessary statement. I have sat here all the afternoon and all the evening, and I have taken up only about ten minutes time of the House. That is all the time I have taken up. And yet he suggests because I bring forward a resolution —a resolution which has been supported and ably supported by every other member on this side of the House but one—that I did it for the purpose of delaying this bill.

Mr. KING (Kootenay): Oh, no.

Mr. MANION: The minister absolutely said it, and I think I am quite within my rights in defending the attitude I took.

Mr. VALLANCE: A great deal has been said here to-night that will be undoubtedly heard all over Canada to-morrow. The hon. member for Fort William made the statement that the government would not accept suggestions from this side of the House, the inference being that we on this side were opposed to the returned soldier getting a square deal. I want to say to my hon. friends opposite that we have got to fight as many problems with the department over returned men as they have. I want to say further, as one who has been attempting to get some recognition for those men, that I do not believe we can find it in connection with the present bill. I do not believe in confusing old age pension with the necessities of returned men. Some hon. gentlemen opposite have spoken of the returned soldiers becoming prematurely aged through war service. In my constituency there are returned men who are aged through their war services although they have not reached forty-five years of age. Still I do not think that the question of granting recognition to them should be confused with old age pensions. I am behind the returned men to the extent of one hundred per cent but even so I do not think I can give the suggestion from the other side my support.

Mr. HEAPS: I would not care to impede in any way the very important discussion which has been taking place on the amendment moved by the hon. member for Fort William. However, I understand that his motion has been ruled out of order and therefore it is quite proper to turn to other points. Before action with respect to this clause is finally taken by the House there is one matter to which I wish to draw attention, and I hope that my efforts will be rewarded with more success than has attended other suggestions for the greater part of the day. When the resolution, embodying the principle of this bill was before the House there was one clause which met with the unanimous condemnation, I should say, of members in all parts of the chamber. I am now referring to clause 8, subsection (f), the provision which limits the income of a pensioner to $365 a year, so that if a person has an income or annuity which yields $30 a month, or earns that amount, he is not entitled to a pension under the present bill. Now I think there has been a strong desire expressed by all parties that the maximum of $365 should be considerably increased. The proposal is to grant a pension of $240, and over and above that the pensioner is to be entitled to an income of $125 a year, or approximately $10 a month. That is one of the lowest pensions to be found in any pension act in the world that I know of. If the government would increase this $365 by a substantial sum it would help to meet the situation, because a good deal of difficulty is going to arise through having such a low maximum. I want to give you a case that came to my attention a few weeks ago. It is that of an aged widow in the city of Winnipeg. She happens to have a small piece of property from which she derives an income of $18 per month, but out of this $18 she has to meet the interest on a mortgage and pay her taxes and the general expenses necessary to maintain her home. Under the present bill that $18 would be regarded as an income and consequently the pension would be very small although she receives nothing out of the income referred to. This matter was drawn to the attention of the government about two weeks ago, and as there seems to be a desire on the part of members to increase the maximum I hope the necessary provision will be made. I do not suppose I would be in order to move that the amount be increased, but I believe the government should do some-

thing in that direction and at least let us go home with something to show for our day's work.

Mr. RYCKMAN: Before this clause carries I think the attention of the House should be directed to section 2, and I would like to ask who is the joker who puts things over the Solicitor General, the Minister of Public Works and other lawyers in the cabinet. Listen to this, and remember that the Solicitor General said that there was no thought of imposing anything upon the provinces:

> The receipt of a pension shall not by itself constitute a disqualification from voting at any provincial or municipal election.

Will someone kindly tell the House what authority we have, sitting here so solemnly and importantly, to legislate for provincial and municipal elections in any province of Canada? There is no use stultifying ourselves by inserting a clause which is plainly beyond the competence of this parliament in an act of this kind.

Mr. CANNON: My friend is referring to paragraph 2 of clause 8. We are not imposing anything on the provinces, and the argument I made while discussing clauses 4 and 5 still holds good. This bill is subject to the consent of the provinces to the conditions therein contained. In certain provinces of Canada a man is disqualified from voting if he is in receipt of charity from the government, and this paragraph simply means that this is not charity in that sense, that a man who is looked after under this scheme and who receives the pension mentioned is not to be disqualified for so doing. This is no imposition on any province but simply says that this is not charity but a pension scheme. A pension is not charity, and that is the only meaning of paragraph 2, which I am quite sure my hon. friend knows.

Mr. STEWART (Leeds): Is it not a matter for the provinces to declare that this shall not be called charity? We have no right to say whether or not it is.

Mr. CANNON: It is for the provinces to decide who will be the electors in provincial or municipal elections, without a doubt. But if under provincial law certain persons are disqualified if they are in receipt of charity, it is perfectly within our purview to interpret this bill as meaning that a pension is not a charity, and that is all we are doing.

Mr. GEARY: Surely that is wrong.

Mr. ADSHEAD: In connection with subsection (f) may I suggest to the Minister of Labour that the word "net" placed before the word "income" would clear it all up. If the person to whom my hon. friend referred as receiving $200 or $300 a year has to pay most of that amount out, it would hardly be fair to take the total gross amount off the pension. I think the insertion of this word would clear it up.

Mr. HEAPS: May we have a pronouncement as to whether the government are prepared to make the increase suggested?

Mr. HEENAN: I thought a pronouncement had been made some time ago. We do not want to take any chance of an excuse for the defeat of this bill. I am sorry I have not a little more coöperation in this bill from my friends of the Labour party, because like myself they supported this measure last session and we agreed that it was not the last word in an old age pension scheme. I thought my friends were blamed by hon. gentlemen opposite for fathering this bill, but notwithstanding that, the bill was defeated in another chamber. I am interested at present in having this principle established; we have the endorsation of a great many labour unions, and again I ask especially my labour friends to accept the bill and get the principle established.

Mr. BARBER: I would like the minister to explain subsection (a).

Mr. HEENAN: As the hon. member no doubt knows, a woman who marries an alien loses her British nationality, and if she becomes a widow she reverts back to that nationality under the act; that is all.

Mr. WOODSWORTH: Since this bill was brought down I happened to read the report of the last Imperial Conference, which contains a clause to which I should like to call the attention of the government. In connection with overseas settlement the report says:

> The sub-committee agreed as to the advantages of co-ordination throughout the empire in social insurance schemes, such as health insurance, and widows' and orphans' and old age pensions, and they suggested that future legislation on this subject should be drafted in such a manner as to facilitate reciprocity. As a first step towards this end it was suggested that an endeavour should be made, if necessary with the aid of financial adjustments between the governments concerned, to ameliorate the position of migrants in regard to old age pensions.

It would seem that there should be inserted in this bill a clause making it possible for those who have not lived here for twenty years to receive some benefit. I recognize that, as suggested in this report, there would have to be certain financial adjustments as between Great Britain and this

country. It is most unfortunate that we should urge old country emigrants who look forward to coming under the old age pension schemes in the old country to come to Canada where they would possibly be disqualified until after twenty years' residence. There should be some arrangement made by which an emigrant from Great Britain should receive credit, as it were, for a certain number of years which he was under the scheme in England, provided of course that the British government made certain financial arrangements.

Mr. STEVENS: I would like to ask the Minister another question. As he has just explained clause (a) I quite understand it. That is, provision shall be made for the payment of a pension to a person who is a British subject, or, being a widow, was such before her marriage. Take the case of a woman, alien by birth, say an Italian or German or any other national, who marries a British subject and lives in this country for fifty years as a British subject. Her husband dies. Is she still a British subject, because it says, "or being a widow, was such before her marriage." Before her marriage she was not a British subject. She becomes a widow, and under this clause she loses the right to a pension. It may be that is just a slip in the wording, but there is no doubt about the effect. When she becomes a widow, she comes under this clause. That widow before her marriage was not a British subject. You qualify the payment of a pension to a widow, the qualification being that she was a British subject before she was married. That may not have been intended, but there it is, and I think we ought to correct the wording of this clause to make the intention abundantly clear—and the minister will please take this suggestion in the spirit in which it is offered, and not as a captious criticism at all.

Mr. ELLIOTT: Might I just answer my hon. friend, and if there is still doubt about it perhaps it can be remedied. Clause 8 says:

Provision shall be made for the payment of a pension to every person who, at the date of the proposed commencement of the pension:—

(a) is a British subject—

That is disposed of. It goes on:

—or, being a widow, was such before her marriage.

Now if she were a British subject before her marriage, no matter what she became afterwards, she is a British subject and she comes under this act.

[Mr. Woodsworth.]

Mr. STEVENS: That is perfectly clear, but what about the other case? My hon. friend has not caught my point. It says:

(a) is a British subject—

That disposes of that. Then you go on to put the widow in a separate category:

—or, being a widow, was such before her marriage.

So the widow must have been a British subject before her marriage, according to that clause. There is no question that it can be read that way. If you will make this clause to read—I have not the exact words in my mind—that it applies to the widow who had married an alien, that covers all that is necessary.

Mr. CANNON: If I understand my hon. friend aright, this is the case of the woman who acquires British citizenship by reason of her marriage. When the marriage ceases, what becomes of her citizenship? Is she an alien or is she a British subject? If she is a British subject, the clause as it reads now covers her case. If she becomes an alien, she is not covered by that clause.

Mr. STEVENS: Perhaps my method as a layman does not make my point quite clear. If she was not a British subject before her marriage, she obtains British citizenship by marriage. Her husband dies and she becomes a widow. Then this clause says, "being a widow, was such before her marriage." But in the case I mentioned she was not a British subject before her marriage, and therefore I reason that she would not be entitled to the pension. I admit that in the application that might be ignored, but it is desirable to make the language clear.

Mr. CLARK: The alien woman who marries a British subject is still a British subject after his death. But the widow is specially provided for here. If she happens to be a widow, she must have been a British subject before her marriage. The words are:

(a) is a British subject, or, being a widow—

The widow is dealt with in a different manner altogether from other people. That is the interpretation that could be given that sub-section.

Mr. CANNON: My hon. friend says that if an alien marries a British subject she continues to be a British subject even after her husband's death.

Mr. CLARK: Yes.

Mr. CANNON: If such be the case the clause as it reads now covers both cases.

Mr. CLARK: No, she is also a widow.

Mr. CANNON: The alien woman who has married a British subject becomes a British subject, and she is a British subject after her husband dies. Her case is covered by the first part of paragraph (a) "is a British subject." The second part of the paragraph deals with something else, the woman who marries an alien and ceases to be a British subject during her marriage. She regains her British citizenship when the husband dies. Therefore the paragraph as it reads now covers both cases.

Mr. CLARK: I think the hon. gentleman is wrong. Widows are specifically named. British subjects are covered, but in the case of widows they must have had the status of British citizenship before marriage.

Mr. CANNON: If she had British citizenship before her marriage she is covered by the words, "is a British subject." If she is a widow and is a British subject, "is a British subject" covers her case. The other case is covered by the latter part of the clause

Mr. STEVENS: My only point was that it should be made quite clear. Every province will probably put that interpretation upon it, but we should put it beyond all peradventure of a doubt.

Mr. GEARY: Paragraph (f) of section 8 says:

> Is not in receipt of an income of as much as three hundred and sixty-five dollars ($365) a year.

We have had some very sympathetic expressions about the soldiers to-night. A soldier may have an income of $365 by way of a pension. He has earned that; it is coming to him for a definite permanent impairment of his value in the labour market. That persists after the age of seventy, but he is put in the position of practically losing part of it in comparison with other people when he is forced to give up any claim to a pension in this act because of having that $365 of a pension. It seems to me that as far as soldiers go their pension of $365, or whatever it may be, should be preserved to them, and not be used as a reason for depriving them of the $240 pension under this act.

Mr. HEAPS: I rise to protest in a very mild way against the remarks of the Minister of Labour. He has talked about receiving our coöperation. Coöperation implies two parties. You cannot have coöperation unless you have someone to coöperate with, and so far as the hon. member for Winnipeg North Centre and myself are concerned, we are only too glad to coöperate with the government in putting through any legislation that we deem to be in the best interests of the Dominion. But if the Minister of Labour implies by coöperation that we have to accept everything that comes to this House, let me tell him that that is not coöperation. Secondly, the position that I am taking here to-night is exactly the position I took here last year. I have spoken on only two clauses of the bill—one dealing with the amount contributed by the federal treasury; the other I have dealt with and called to the attention of the House. These are the very same matters I brought to the attention of the government last year when the bill was introduced. My position has not changed one iota from that which I took last year, but the position of the Minister of Labour has changed.

Mr. GEARY: Would the minister tell me what he thinks of the suggestion in regard to clause (f)? It would mean the insertion after the word "income" of some such words as this:

> Not being a pensioner for war service.

Then the clause would read:

> Is not in receipt of an income, not being a pensioner for war service, of as much as $365 a year.

Mr. HEENAN: We have great sympathy with the returned soldiers, but there are requisitions coming from all sides, and we cannot make any exception in this bill to-night. I think every consideration for the returned soldier will be afforded in another bill.

Mr. CLARK: What is the bill?

Mr. HEENAN: A bill relating to the soldiers' pensions.

Mr. STEVENS: Will the minister accept a suggestion for which I am indebted to my hon. friend from Comox-Alberni, to make in paragraph (a) read:

> Is a British subject, or, being a widow, is such at the time of the application, or was such before her marriage.

Mr. CANNON: "Such" would apply to "widow". Well, she is a widow.

Mr. STEVENS: No, to "British subjects". My hon. friend should not joke.

Mr. CANNON: I am not joking. If you want to pick a fight, I will not accept.

Mr. STEVENS: I am not addressing the Solicitor General, but some of his hilarious colleagues. The section would read:

Is a British subject, or, being a widow, was a British subject at the time of the application, or was such before her marriage.

I offer that and have nothing more to say.

Mr. CANNON: I understand the idea of my hon. friend, but I do not think there is any necessity for such an amendment, because every lawyer in the committee will admit that the words "British subject" apply to both man and woman.

Mr. CLARK: But not to widows.

Mr. HEENAN: A widow is in an unfortunate position perhaps, but she is still a woman.

Mr. STEVENS: Some of us have the misfortune of not being lawyers.

Mr. CANNON: I submit that the words "British subject" cover the case of both a man and a woman, and the other case mentioned by my hon. friend from Vancouver Centre is looked after by the second part of the section.

Mr. RYCKMAN: I cannot say that I am in accord with the Solicitor General. I think this is a new interpretation. Clause (a) obviously means what we all understand, but we must remember that we have to consider the grammatical construction, and I say the proper construction of this clause as worded is this:

Is a British subject, or, being a widow, was a widow before her marriage.

The antecedent of "such", under the rules of grammatical construction, is the nearest noun to it, unless otherwise specified, and in this case the nearest noun to the word "such" is "widow". The strict interpretation of that clause therefore would be:

Is a British subject, or, being a widow, was a widow before her marriage.

Mr. STEVENS: It is obviously bad drafting.

Mr. BROWN: I thought there was nothing in it when the hon. member for Vancouver Centre introduced this point, but I think now it is worthy of consideration. I looked at it one way and I could see it one way, and I looked at it another way and I could see it another. It seems to me it might be made to read:

Is a British subject, or, being a widow of an alien, was a British subject before her marriage.

It seems to me that would make it clear beyond dispute. I think there is a good deal in the point raised by my hon. friend from Vancouver Centre. Certainly the words "British subject" would include the widow of an alien, if the clause did not proceed immediately to make exception of other people. The exception takes in more than intended, and in order to correct it you have to add a few words to the clause.

Sir GEORGE PERLEY: I suggest that the minister take the matter up with the law officers of the department and make sure that this clause covers these widows. It seems to me we have done a good day's work, and I suggest that we might adjourn.

Mr. CANNON: I think we ought to be careful to see that the interests of the widows are fully protected. Having listened to my hon. friends on this side and on the other side, I suggest that we might amend paragraph (a) so that it would read as follows:

(a) A British subject, or, being a widow, was a British subject before her marriage.

That would be very clear. "British subject" covers man and woman.

Mr. CLARK: No, that would not do.

Mr. McMILLAN: Or, being a widow of an alien, was a British subject before her marriage.

Mr. CANNON: It does not matter to whom she was married; if she was a British subject before her marriage and became a widow she regained her nationality.

Mr. CLARK: The amendment proposed by the Solicitor General does not cover the point raised by the hon. member for Vancouver Centre. I think we are agreed that the widow of an alien who was a British subject prior to her marriage is probably covered by the section as it stands. But I do not think the section provides for the widow who was an alien, but married a British subject who subsequently died.

Mr. COOTE: I do not want to interfere with the passage of this bill; I am much interested in it. But I desire to protest to the government that it is a quarter to twelve, and I think it would be the part of wisdom to allow the committee to rise and report progress and adjourn the House. Possibly by to-morrow the members of the committee will have settled in their minds just what they want to do with the widow.

The CHAIRMAN: Shall clause 8 carry?

Mr. CLARK: No, I understand there is an amendment before the committee.

Mr. MANION: Do I understand, Mr. Chairman, that the amendment I moved was ruled out of order?

The CHAIRMAN: Yes.

Sir GEORGE PERLEY: I think the minister should consult the law officers on the wording of the clause and report to-morrow.

Mr. HEENAN: I consulted the law officers and heard as many arguments about the different classes of widows as we have had discussed to-night, and ultimately the gentleman who drafted the bill decided to leave the clause in its usual form. We feel everything is covered.

Mr. STEVENS: I think a word or two would make it perfectly clear. This is a late hour to continue such an important subject.

The CHAIRMAN: Shall clause 8 carry?

Some hon. MEMBERS: No.

Mr. ELLIOTT: Subject to amendment.

Mr. MANION: That will only take a minute to-morrow when you have straightened it out.

Mr. CANNON: The clause could easily be amended on the third reading. It is a matter of very minor importance. Why hold up the clause? We have been discussing it practically all evening. I can assure my hon. friends that I will look into the matter, and if necessary I will bring in an amendment.

Section agreed to.

On section 9—Maximum pension $240, etc.

Mr. IRVINE: Mr. Chairman, I am proposing an amendment to this section which I hope will be carried before it is ruled out of order. My amendment is:

That all the words after the word "interest" in the fifth line of subsection 2, be struck out.

I do not agree with the principle that the property of anyone who receives a pension shall vest in the pension authority after the pensioner's death. We give pensions to judges and to military men, but we do not think of selling their houses after they are dead and transferring the proceeds into the coffers of the state. As this is not a charity affair, as was emphasized by the minister to-night, I do not see the reason for this subsection.

Mr. ERNST: Subsection 2 apparently provides that where a person qualifies for a pension his real estate must be transferred to the pension authority before the pension can be received by him. If that is intended, I want to voice an emphatic protest against the subsection. In my constituency I know a large number of people who own small homes that will not yield an income of $300, perhaps not even $100 a year. If they have to transfer their property to the pension authority they will be discriminated against in favour of those who live in idleness and have not accumulated anything. I see no reason why the industrious and thrifty person should have to transfer his property to the pension authority. This was one of the most viciously attacked provisions of the pension bill during the election, and on behalf of those in my constituency who would be affected by it I voice this protest, whether it will be accepted by the government or not.

Mr. COOTE: Mr. Chairman, I wonder if I could not again appeal to the minister to allow the rest of this bill to stand over until to-morrow. There are still eleven sections to be considered. It is a very important bill. I think the minister will be well advised to postpone further discussion until to-morrow.

Mr. HEENAN: Mr. Chairman, I would suggest that before we adjourn we dispose of half the twenty sections. In answer to my hon. friend, I may say that the purpose of the bill is to give old age pensions to certain classes of people. One of its provisions is that they must not be in receipt of $365 a year. If living in his own home a pensioner might be better off financially than if in receipt of actual income. All that is intended is to equalize matters. When a pensioner dies the pension board will take over the property.

Mr. ERNST: That is just what I am protesting against, Mr. Chairman. Under subsection 3 of this section a debt due by the pensioner to the pension authority is simply a debt against his estate. In the other case the pension authority is a secured creditor of the real estate. Advantage is being taken of the fact that a person has real estate to appropriate it for the use of the pension authority.

Mr. CANNON: If my hon. friend will allow me, the principle underlying all these clauses is the same. Under clause 8 we say that if a person is receiving $365 a year he will not be entitled to a pension. In clause 9 we allow an income of $125, which with the pension of $240 brings the total income up to $365, the amount mentioned in the preceding clause. Would it be fair or just to lay that down as our guiding principle throughout the bill and then depart from it in this case? We cannot do so. What is fair in clause 8 is also fair in clause 9. I fully realize that it offers inconveniences. During the debate last year, I recollect distinctly, the leader of the opposition of the time pointed out

numerous inconveniences and disadvantages which would be encountered in the working out of this clause. As I say, we realize all that. But as the Minister of Labour has pointed out on several occasions, this legislation is in the experimental stage.

An hon. MEMBER: Very much so.

Mr. CANNON: Of course; we do not deny that. But when the legislation is carried into practice and we have an opportunity of considering these difficulties as they occur and of suggesting means of overcoming them, it will be time enough to bring down amendments by way of improvement. When that time comes, I have no doubt, every member of the House will join with the government in an endeavour to make the law as satisfactory as possible. Having said this, I would urge the committee to pass this bill which is now before parliament for the second time. I make no claim, nor does the Minister of Labour make any claim, of perfection for the bill. It is not perfect; we know that. We have listened with great attention and much interest to the suggestions that have been made by hon. gentlemen to improve the bill and make it more workable, and certainly they will be considered by the government when it is deemed necessary to introduce further legislation along this line.

Sir GEORGE PERLEY: The Solicitor General has truly observed that there are a great many anomalies in the bill, and this is one clause that could be greatly improved. But the government are not willing to accept any suggestions from this side looking to the improvement of the legislation. They are fixed in their attitude towards the bill: we must take it as it is. Before we go any further I want to impress upon the government the advisability of adjourning at this point. We have a committee which has been charged with the task of amending the rules of this House, and one of the amendments proposes that the House, at eleven or eleven-thirty, as may be decided finally, shall automatically adjourn. But here we are still discussing this bill, although it is nearly twelve o'clock, and notwithstanding that we have facilitated the business of the House all through this session. I submit that the government will not make any headway by detaining the House under these circumstances. If we had had a long session and had obstructed business it might be different. We have not done so. I suggest that the government will gain nothing by compelling the House to sit after this hour.

Mr. LAPOINTE: If anyone had suggested adjourning before—

[Mr. Cannon.]

Mr. STEVENS: It has been suggested three times.

The CHAIRMAN: The amendment moved by the hon. member for Wetaskiwin (Mr. Irvine), that all the words after the word "interest" in the fifth line of subsection 2 be struck out, I must rule out of order. The effect of this amendment would be to widen the scope of the bill with a resulting increase in the cost of administration, and under the rules that is not permissible. The amendment is out of order.

Mr. HEENAN: If the committee will agree to section 9 I will move that we report progress.

Mr. STEVENS: No, we cannot do that. There are two or three important matters which I desire to discuss in relation to this section.

Mr. HEENAN: Under the circumstances I will move that the committee rise and report progress.

Section stands.

Progress reported.

On motion of Mr. Lapointe, the House adjourned at 11.55 p.m.

Friday, March 4, 1927

The House met at three o'clock.

PRIVATE BILLS

FIRST READINGS

Bill No. 116, to incorporate "La congrégation de Saint-Dominique du Tiers-Ordre enseignant."—Mr. Raymond.

Bill No. 117, respecting a patent owned by The John E. Russell Company, Limited.—Mr. Chevrier.

RAILWAYS, CANALS AND TELEGRAPH LINES

Mr. A. M. YOUNG (Saskatoon) presented the second report of the select standing committee on railways, canals and telegraph lines as follows:

He moved:

Your committee have considered the following bills and have agreed to report the same without amendment, viz:

Bill No. 71, an act respecting the Alberta Railway and Irrigation Company.

Bill No. 76, an act respecting La Compagnie du chemin de fer de Colonisation du Nord.

Your committee have also considered the following bills, and have agreed to report them with amendments, viz:

Bill No. 73, an act respecting the Canadian Pacific Railway Company.

Bill No. 77, an act respecting the Manitoba and Northwestern Railway Company of Canada.

A resolution has been referred to the committee in respect to a direct railway outlet from the Peace river country to the Pacific coast. Your committee recommend that 300 copies in English and 100 copies in French of the evidence to be taken by the committee in connection therewith be printed for the use of the committee and of the House of Commons, and that rule 74 be suspended in relation thereto.

He moved:

That, in accordance with recommendation contained in the second report of the select standing committee on railways canals and telegraph lines, 300 copies in English and 100 copies in French of the evidence to be taken by that committee respecting a direct railway outlet from the Peace river country to the Pacific coast, be printed for the use of that committee and of the House of Commons, and that rule 74 be suspended in connection therewith.

Motion agreed to.

OLD AGE PENSIONS

The House resumed, from March 3, consideration in committee of Bill No. 70 respecting old age pensions.—Hon. Mr. Heenan—Mr. Johnston in the chair.

On section 9—Maximum pension $240.

Mr. CANNON: Before we consider section 9, with leave of the committee we might return to section 8 in order to meet the objection raised by the hon. member for Vancouver Centre (Mr. Stevens).

The CHAIRMAN: Is it the desire of the committee that we return to clause 8?

Some hon. MEMBERS: Carried.

On section 8—What persons are pensionable.

Mr. CANNON: The hon. member for Vancouver Centre raised certain objections to the wording of paragraph (a):

Is a British subject, or, being a widow, was such before her marriage.

There was quite a discussion about it. Since the point was raised I have had time to examine the law, and chapter 44 of the statutes of 1914 covers the case of an alien woman who marries a British subject as to her status when she becomes a widow. Section 11 reads:

A woman who, having been a British subject, has by or in consequence of her marriage become an alien, shall not, by reason only of the death of her husband, or the dissolution of her marriage, cease to be an alien, and a woman who, having been an alien, has by or in consequence of her marriage become a British subject, shall not, by reason only of the death of her husband, or the dissolution of her marriage, cease to be a British subject.

Therefore the argument which I made last night that the clause as it reads now covers both cases holds good, I submit, but there is no doubt that the phraseology might be improved. My hon. friend from Toronto referred to the interpretation which should be given to the word "such". If the interpretation is to be restricted to the rules of grammar, my hon. friend would be right. I move, Mr. Chairman, that paragraph (a) be amended by inserting after the word "widow" the words "who is not a British subject."

Amendment agreed to.

Mr. SPENCER: Referring to paragraph (c), which reads "has resided in Canada for the twenty years immediately preceding the date aforesaid," I would refer to those people who come here from Great Britain say at the age of 58, who in twelve years would be 70, and who would have to sacrifice any right to a pension they might have received from Great Britain. At the same time, under this clause, they would have no right to a pension in Canada until they had reached the age of 78 and completed twenty years' residence in this country. I would ask the minister if there is no way of meeting that situation, so that these people who come here from Great Britain and have been in this country twelve years by the time they reach the age of 70 may receive a pension.

Mr. HEENAN: That has been considered, but we do not want to load the bill up with any more provisions than it had last year. This bill may not be all that we require—and here I am taking the same ground that I took last year, and the same ground that was taken by my hon. friend from Winnipeg North Centre—but we feel that it is a step in the right direction, and we do not want to do anything to jeopardize its passage through the second chamber If the bill works any hardship upon any British subjects, there will be time enough to look after that once we get the principle established.

Mr. SMOKE: In connection with the same paragraph of this section, may I cite the case of a person born in this country and who fifteen years ago went to the United States, and then came back here in a couple of years. Under this clause he would be entirely deprived of any benefits under this bill until he had lived here for twenty years after his return from the United States. Surely it is not intended that the bill should not provide for a case of that sort. There ought to be some provision in the bill that exceptional cases of

this sort should be treated as if the person had continued to live here for the twenty years.

Mr. HEENAN: Mr. Chairman, I do not want to be bobbing up and down all the time answering questions, but I think my hon. friend will realize that we must draw a line somewhere. This bill is not intended to provide that the man who leaves this country for the United States and stays there until he gets too old to work shall come back here and then get a pension from Canada.

Mr. WOODSWORTH: I should like to have an answer from the minister to the question I raised last night in regard to certain immigrants from England who might be qualified under the old country scheme, who come to this country and forfeit any rights they have in the old country to a pension, and who would not have any rights under this scheme short of twenty years' residence in Canada. It was suggested at the Imperial conference that an arrangement could be made by which there would be some sort of reciprocity between this country and the old country, and in that case the old country could give a financial consideration to cover its proportion of the period. I would submit to the minister that this is not a matter that would interfere with the passage of the bill through the Senate. It involves no extra expenditure by this country in any way. It would simply mean the insertion of a clause in the bill providing that in the case of such immigrants it might be possible that the British government would advance certain amounts of money; that the time spent by the immigrant over there would be, as it were, credited to him. I think in view of the very large number of old country immigrants coming to Canada it would be wise to have a provision of this kind, and I would like to ask if it is not possible still to insert such a provision.

Mr. HEENAN: I think there is a great deal in my hon. friend's contention, but as I said before, we want to get the principle of old age pensions established before we load the bill up with further provisions. Let us get the scheme into operation and see how it works out.

Mr. IRVINE: If we cannot insert a single provision in the bill, why not just come here and say, this is an old age pension bill, and then let us pass it and send it on to the Senate, and then when it comes back here, we can make a bill of it.

Mr. HEENAN: Perhaps that is what my hon. friend would do.

[Mr. Smoke.]

Mr. WOODSWORTH: The proposal I am making, Mr. Chairman, would not involve one dollar of expense to this country. It is simply to insert a clause by which we could enter into an arrangement with Great Britain that, if they wished to do so, they could advance certain moneys, and the immigrant would benefit under that arrangement. This is not something that I am proposing. It is something that was proposed at the Imperial conference, and it is a suggestion that was accepted by the government of Canada at the Imperial conference. Now that we are drafting this bill, I do not think it is too much to ask that a clause along this line should be inserted, which would leave us free to enter into an arrangement of that kind in the future.

Mr. CANNON: My hon. friend will realize that we have had a whole lot of trouble with this bill coming from the other side on account of our having to come to certain agreements with the provinces, and on account of our lack of jurisdiction over the provinces. His suggestion, which certainly contains a whole lot of good, immediately opens up another difficulty, that of our legislation having the effect of encroaching, so to speak, upon the imperial jurisdiction.

Mr. WOODSWORTH: Oh no, not at all.

Mr. CANNON: Certainly. Here in this parliament we pass legislation which concerns us. My hon. friend suggests that we should have a clause saying that we are going to enter into an agreement with the Imperial government on certain subjects. My hon. friend has been very well disposed towards this bill both last year and this year, and has endeavoured to put the legislation through this House and through parliament, and if I might be allowed to suggest it to him, would it be wise to open up this question now of an agreement with the imperial authorities on certain subjects, when that matter could be taken up later?

Mr. SMOKE: The answer given by the Minister of Labour to my question is like many of the answers given to us on this side of the House—no answer at all. It is the duty of any country to take care of its old people. The point whether a person happens to have lived in Canada for twenty years makes no difference whatever. If a person over seventy is unable to provide for himself, the country has to take care of him. If a person lived two years in the United States fifteen years ago, and comes back here, why should he not be taken care of under this bill, the

same as if he had lived here all his life. I think these cases should be given a little more consideration.

Section agreed to.

On section 9—Maximum pension $240.

Mr. LADNER: Section 9 was the subject of very considerable adverse comment amongst the people at large during the recent election, and the objectionable feature is that the home of the pensioner can, under certain circumstances, be taken and used to reimburse the government for pensions paid. I am not arguing as to the merits or demerits of that point. It has been argued before, and I know the position the members of the government took at that time. But I should like to draw to their attention the fact that in some other countries, particularly New Zealand, they grant an exemption. In my judgment and in the judgment of all fair-minded Canadians, all old folks who have been thrifty, saved their money and own their home should not be penalized for owning that home. I think a halfway measure, or a compromise, which is the true viewpoint on this question, should be reached by following the provision which is now the law of New Zealand, and that is that this clause does not become operative, so far as the taking of the home is concerned, to reimburse the pension authorities, unless that property has a value in excess of $2,000. Would the minister not be favourable to consider an amendment in both subsections 2 and 3 which could be properly inserted—and I have worked it out—after the word "therein" in the twelfth line. I suggest that we insert the words in subsection 2:

In excess of the sum of $2,000.

In subsection 3, after the word "pensioner" I suggest that we insert the words:

In excess of the sum of $2,000.

What objection can there be to the granting of that exemption to the old folks for the homes and property which they have lived in?

Mr. NEILL: I think—

Mr. LADNER: I was asking the minister a question.

Mr. NEILL: I thought my hon. friend was making a speech.

Mr. HEENAN: I thought we discussed that suggestion very fully last night. In this bill we are not limiting the value of the property to $1,000, $2,000 or $3,000. In the case of an old couple living in a home, having reached the age where they desire a pension and apply for it, we do not say that if the property is worth $1,000, $2,000 or $3,000 they must give it up. We place no restriction on the value of the property, but we do say that if a person is making over $125 a year he is not entitled to the full pension of $240. In the case of those who have property and occupying premises, where no one is contributing to their support but the estate, we take the excess of what they have paid, after they die, over and above what the man would take if he was simply earning his wage, about $125 a year. Section 3 provides that if anyone has contributed in any manner whatever to the upkeep of those people the board has no claim whatever on their property. If they had a son in good circumstances we all agree that it is his duty to contribute to the upkeep of his parents, but if he fails to do so the pension board would not put that old couple out of their home; but on the other hand, when this couple die the board would not allow the whole property to revert to the son, but would take the excess out of the value of the building or the home. If they have contributed ever so little to the upkeep of the father and mother, the board has no claim whatever on the property.

Mr. LADNER: In the case of a man over seventy, having a wife of the age of fifty-five, where the husband leaves the home to the wife, who gets the home—the pension authorities or the wife?

Mr. HEENAN: Naturally, the wife would have contributed something towards the upkeep of the home.

Mr. LADNER: In my hypothesis she has contributed nothing. He has been supporting her, as it is his duty to do. The husband owns the property and dies. Does the pension authority take the property from the widow?

Mr. NEILL: May I reply to the hon. member's speech?

Mr. LADNER: Is the hon. member answering my question? I am asking the minister what I consider a very personal and important question.

Mr. HEENAN: I think that is right.

Mr. LADNER: I would like the minister to answer and I would like the hon. member for Comox-Alberni to permit me to have an answer.

Mr. HEENAN: I think the clause is wide enough to cover what my hon. friend has in mind. If anyone has contributed to any extent the board have discretionary power—in fact they have no claim.

Mr. LADNER: But in the case I have given the wife has contributed nothing and the husband has looked after the wife. As a still better example, let us assume that the wife is an invalid, the husband is looking after her, and they are living together in a house. He wishes to leave the house to his wife. My interpretation of that section is that unless somebody has contributed something in money—

Mr. ELLIOTT: Or otherwise.

Mr. LADNER: What would "otherwise" be?

Mr. ELLIOTT: Looking after his household. Surely that would be contributing.

Mr. LADNER: My understanding of that section as a lawyer—

Mr. BROWN: That does not matter.

The CHAIRMAN: Order.

Mr. LADNER: I think the observation of the hon. member for Lisgar is quite correct—it would not matter to him for he would not have understood it. This in my judgment, Mr. Chairman, is a very important section, and if we can avoid doing a palpable injustice to unfortunate people in the future now is the time to do it. I think a proper reading of the section will disclose the fact that if the husband dies owning a house, and leaves it to his wife, and, let us say, she is an invalid, the pension authority takes the home and not the wife.

Mr. MacLEAN (Prince): Perhaps they would prefer to have the house rather than the wife.

Mr. HEENAN: I think, Mr. Chairman, that this is as broad as it could possibly be drafted:

—regularly contributed to the support of the pensioner by the payment of money or otherwise to an extent which, having regard to the means of the person so having contributed, is considered by the pension authority to be reasonable.

Mr. HANSON: Is the minister aware that the words, "money or otherwise" must mean in ordinary judicial construction, "money or something equivalent to money?" The ejusdem generis rule will always govern in that case. I leave it to my friend the Solicitor General to say if I am not right.

Mr. CANNON: Mr. Chairman, my hon. friend from Vancouver (Mr. Ladner) is perfectly right when he says that in case a pensioner dies and leaves a dwelling the pension authority has a right to recover out of that dwelling or the value of it whatever has been paid to the pensioner in excess of what he might have received from other people in money or otherwise. It is very easy for an ingenious mind like that of my hon. friend to make an argument which will appeal to the sympathy of his listeners by describing the unsympathetic action of the government in taking away in such a case the house from the poor widow. I do not blame my hon. friend for giving us that pathetic scene. I have some experience in politics, and I know that on the hustings it always has a good effect. But talking as a lawyer to a lawyer, that is, dealing with this matter according to the strict principles which underlie all our legislation, suppose a man owns a house in the city of Ottawa but fails to pay his taxes, after his death if his widow appeals to the city hall officials and says, "You are not going to take away that house from me?", what answer is she going to receive? When we pass a law imposing certain taxation and providing, in order to protect the rights of the exchequer, for a lien on the property of any defaulting taxpayer, in what position are his children or his widow? Are we to renounce our rights? If this argument of sympathy is to be invoked to cover these cases how are we going to collect our revenue?

Mr. LADNER: Why do you give old age pensions at all then? That is the very basis of this measure—consideration for the impecunious and unfortunate.

Mr. CANNON: This adds strength to my argument. We are dealing now with an exceptional case, a case in which this government and the government of any province through sentiments of humanity provide public moneys in order to relieve a person's poverty. In a word, this is relief legislation. We must not lose sight of that fact. We are not dealing with people possessed of sufficient means to maintain themselves; they do not fall within the compass of this legislation. We are dealing with people for whom this country is doing something out of a spirit of humanity.

Now, when the pensioner dies what will the government or the provincial authorities do according to this bill? They say to the heirs or whoever represents the deceased, "Although the pensioner had a house, and although that house was an asset, and although others who have not real estate but other assets see those assets deducted from their pensions, in this case we allowed the pensioner to remain in his dwelling, but now that he is dead we find he drew a greater pension than he was entitled to according to the law, and unless you prove that you contributed to his upkeep, we are going to reimburse ourselves that extra

amount." This is not a case of sympathy if looked at in its true light. The only person who could complain would be one who had been so heartless that he did not do anything for the pensioner while alive and evinced sentiments of love only after the poor man's death. Therefore I think when this clause is looked at in its true perspective the very ingenious argument advanced by my hon. friend will not constrain members from approving it.

During the last election it was contended that that clause should not be approved because it would dispossess the pensioner of his house or dwelling Such is not the true interpretation of the clause. It is simply a means whereby the public authorities collect, so to speak, a certain amount of money to reimburse themselves after the pensioner dies for any amounts paid to him in excess of what he was entitled to.

Mr. NEILL: Mr. Chairman, I think some confusion has arisen through considering these subsections together rather than separately, because their two aspects are entirely remote one from the other. To begin with, I would draw the attention of the committee to the fact that under subsection 2 the whole action is absolutely permissive on the man or on the government. That it is not obligatory will be seen by looking at the way in which it is worded:

> Where a pensioner is the owner of an interest in a dwelling house,—
>
> and so on
>
> —and the pension authority "accepts" a transfer thereof.

The pension authority does not need to accept a transfer of the dwelling house, and undoubtedly the pensioner does not need to give it unless he likes. That aspect has been entirely ignored. The reason I think it is so phrased is to provide against cases where the pension authority perhaps would be importuned to take a house under unreasonable circumstances. It merely says that the pension authority has the option and, inferentially, that the pensioner has the option, because there must be an offer before there is an acceptance. That is a phase which I think is somewhat lost sight of. This section of the bill was much abused on the platform. It was said, "This bill is going to rob the poor old couple of their home. It is too bad. These wretched people are going to come and rob the widow and the orphan of the only home they have." I was asked on one occasion to go to see an old man who was too infirm to visit me. He lived with his wife in a beautiful little home, and this lovely old couple were of the very type that needed such assistance as is given in this bill. It was a nice little house, worth perhaps $10 a month. They were old and infirm and unable to work, and they had been told that if this bill passed or if the Liberals got into power their home would be taken away. They were much upset, and realizing that the pension was all they could look forward to, they asked me, "If our home is taken away from us, what shall we do?" No explanation should have been necessary had the matter been truthfully stated to the people, but I had to explain to this old couple that there was no danger of their losing their home. I pointed out that it would be rated, perhaps, at ten dollars a month, and twelve times ten being $120 that was less by $5 than the amount which the pensioner would be allowed without any reduction. So that this particular couple would have been allowed to live in their home and draw the full pension, and when they died the house would belong to their heirs. This was a typical case.

The intention of the section was to meet the case of the owner of a house worth, say, $30 a month, which he might not be able to sell or dispose of otherwise—this happens in the country—although he would be technically charged with that $30 per month by reason of the fact that he occupied the house. It was to meet such a case that the section was framed. If he wanted to do so, and if the board were agreeable he could turn the house over to the board on certain terms. It has been popularly stated, erroneously and even maliciously stated, that when a pensioner owning such a house died, the house would go to the government who would sell it to recoup themselves to the full amount of the pension that had been paid out. This of course is not so. The government will recoup themselves, not for the full pension but only for that portion which the pensioner would not have received had he not transferred the house. The pensioner cannot live on the proceeds of a house which he cannot eat, sell or rent, and it is to meet a case of this kind that the section has been drafted.

An hon. member has referred to the situation in New Zealand. I think he misunderstood it, for the situation there is more severe than it is in Canada. It is provided in New Zealand that:

> Any person otherwise qualified to receive a pension who owns property on which he resides, and which does not permit of the granting of a full pension, may qualify for the full pension by transferring the said property to the public trustee. The pensioner is permitted to reside on the property rent-free during his lifetime, but he must pay all rates and charges thereon.

The taxes there are considerable in many cases. In our bill we propose to carry these charges so long as it is necessary.

If a husband and wife, both being pensioners, are living together, and one dies, the survivor is permitted to continue to reside on the property. On the death of both pensioner and survivor, or where the pensioner is no longer entitled to a pension, the public trustee shall sell the property, and, after deducting from the proceeds of the sale the amount of pension paid as a consequence of the transfer of the property, together with his commission and interest at the rate of four per cent, shall pay the balance to the person or persons entitled thereto.

There is nothing wrong there although that provision is not so generous as the one in the bill before us.

Mr. LADNER: Either Australia or New Zealand has an exemption of property up to four hundred pounds, as my hon. friend will see if he refers to the book which may be obtained from the department.

Mr. NEILL: I am not talking about exemption; I can go into that question if necessary. The yearly amount in Australia is £65 or $325, which is a good deal less than $365, while the pension in Australia is £39 or $195, a good deal less than $240. But I am talking about the question of transfer, where a man desires to turn over his house to the board in order to get the advantage accruing thereto; because it is an advantage to him to be able to get rid of that white elephant. The government is prepared to take care of it for him until he no longer needs the house, and then it will recoup itself not, I repeat, for the full pension, but only for that portion which he would not have received under any circumstances. In that light this section is worthy of support. As regards subsection 3, that is a different thing entirely and should be considered by itself.

Mr. McQUARRIE: I have listened to the opinion given by the Solicitor General in answer to the question asked by the hon. member for Vancouver South, and I must say that I did not consider it an answer at all. I do not think the Solicitor General would disagree with the statement of law made by the hon. member. It seems quite apparent from the wording of subsection 3 that the contributing to the support of the pensioner would not apply to the wife at all. It is merely a question of law and I believe the Solicitor General will agree with the hon. member. Now if that is so—

Mr. CANNON: I do not agree.

Mr. McQUARRIE: —then the widow is not in the same position as was the deceased, and in this particular subsection provision should be made that she should have the right to continue to occupy the house so long as she lives, just as the deceased pensioner would have done.

Mr. CANNON: The opinion expressed by the hon. member for Vancouver South, with which I agreed, was to the effect that under certain conditions the pension authorities had the right to recoup themselves by the sale of the house. One of the conditions is that when any person has contributed to the maintenance of the pensioner, the amount so contributed shall be taken into consideration. How can one contribute to the maintenance of a pensioner? In two ways: in cash or otherwise. What is the meaning of "otherwise?" Obviously one need not be a lawyer to know what otherwise means in this act; it simply means, in other ways which are not directly pecuniary. My hon. friend (Mr. McQuarrie) suggests that this would not apply to the widow. If a woman has nursed her husband through sickness or old age and if she has acted also as housekeeper, I appeal to the common sense of the committee whether "otherwise" does not cover such a case. It certainly does; if it did not there would be no reason for including it in the bill. The bill would simply be restricted to the word "money," a pecuniary contribution. It was to meet precisely the cases pointed out by hon. gentlemen from British Columbia that the other words were added.

Mr. LADNER: In the case of the wife, so far as the legal interpretation goes, you have the words "payment of money or otherwise," and I admit that if food or clothing or something of value of that nature were furnished, something that might be exchanged for money, the contribution would fall within this category.

Mr. CANNON: Or services.

Mr. LADNER: A wife giving her services to her husband is not entitled to a salary or any payment in money, and therefore those services could not be considered as a payment of money or otherwise, and accordingly she would be dispossessed of her home by the pension authorities.

Mr. CANNON: My hon. friend would be perfectly right if this clause were interpreted according to what was to be paid to the person giving those services, but that is not the case. We are not legislating now as to whether or not a wife is entitled to charge her husband for whatever care or services she may give him; we are legislating to meet another eventuality, the case of the wife who, after her husband has died, appears before

the pension authorities and explains that while her husband was living she kept house for him, cooked his food, looked after his clothing and did all the household duties. In such a case, would the authorities decide that the word "otherwise" did not cover such services? I do not think anyone called upon to make a decision in any such case would decide otherwise than I am now pointing out To make my contention more clear, what are the words used in the act? The act says, "any person", so who is excluded? That is a general expression which means that any person no matter what his or her relation may have been to the pensioner is covered by this act and may make a claim before the proper authorities.

Mr. LADNER: But supposing the wife has been an invalid for ten years and was able to contribute nothing in services or otherwise; will not the minister agree that the pension authorities would then have a prior claim and take the house?

Mr. CANNON: There is no doubt about that. In discussing legislation it is always easy to point out extreme cases which are exceptional in their nature and very few in number, but this law applies not to these exceptional cases but to all cases. My hon. friend will admit that general legislation is to meet general cases and that special bills are introduced to meet exceptional cases. If we in this House are to consider general legislation to meet extreme and exceptional cases as indicated by my hon. friend the task of legislation becomes impossible and beyond the wit of humanity. These extreme cases are cases of hardship, but such things exist under any law. Last night, for instance, the hon. member for Fort William (Mr. Manion) pointed out exceptional cases of certain soldiers, which goes to show that with all the legislation introduced in parliament during the last six or eight years to meet the needs of soldiers, everything has not been done to meet all the cases which should come within the scope of that legislation. Again I say that we are now simply in the position we find ourselves in dealing with legislation of any kind. General legislation along general lines can very seldom, and as a matter of fact I may say never, include every case which might come to the conception of any member of this House. This is an extreme case pointed out by my hon. friend. it is a case of hardship but so long as we legislate generally we cannot legislate especially and particularly.

Mr. LADNER: Why not include a provision giving some discretion to the pension authority to exempt certain houses under these circumstances?

Mr. CANNON: There is a good deal in the suggestion of my hon. friend and evidently the author of this bill thought of that. In the last lines of subsection 3 of section 9 great latitude is given, and if I am not mistaken power is also given under section 19 to the governor in council to make certain regulations. I have no doubt that when these regulations are drawn up the governor in council will give to the authority dealing with these cases the necessary discretion to deal with them.

Mr. BOYS: As a matter of information I should like to ask the Solicitor General how it is proposed to transfer an interest in a dwelling house.

Mr. CANNON: I think the only way to transfer an interest in a dwelling house is to sell it.

Mr. BOYS: I do not believe the minister understands me to mean that. It cannot be done. I do not want to be too critical, but at the same time I suppose we should have things so they can be carried out. You can transfer land and chattel property by a bill of sale, but how to transfer an interest in a dwelling house is a new proposition, under the law of this province.

Mr. CANNON: This bill was drawn up by the parliamentary counsel, Colonel Biggar, who has given great thought to all of these clauses, and I may say without fear of contradiction that the ability of Colonel Biggar is fully recognized by every member of this committee. Furthermore as I stated last night, all these clauses offer difficulties of execution; this law will certainly offer a number of such difficulties and as my friend will fully realize, I am not prepared to give a ready answer to all the objections which might occur to the minds of legal members of this committee.

Mr. BOYS: Supposing in the province of Quebec you wanted to transfer an interest in a dwelling house. How would you do it? I suppose you could sell the land on which it stands, but I think there should be a change made here in order to have things as they should be. As this is now worded it is impossible to make that transfer. You can transfer the land on which the house rests, but you cannot transfer your interest in the house.

Mr. CANNON: My hon. friend will admit that as a rule the owner of a house owns the land on which it stands. No man with ordinary common sense will construct a house on

land that does not belong to him. If my hon. friend wants to point out difficult cases, it would be easy for him to point out the case of a man who erected a house on another man's property, with the consent of the other man. Again I must say that these are exceptional cases. In my own province we have the system of what we call emphyteutic leases, by which a man can lease his property for 99 years or for 999 years, and the lessee can build a house on that property. Strictly speaking he does not own the land; he has only a lease. When the lease terminates, the house remains on the property. These are very exceptional cases, and I do not think at this stage we need bother about them. The provinces will have the machinery in hand, and I have no doubt that these exceptional cases will be met as they should.

Again I repeat that it is very easy for any lawyer in this House to bring forward these cases that may seem to be difficult to meet. I may say in justice to my hon. friend that if I were sitting on that side instead of sitting on this side, I might also find certain cases that would embarrass my hon. friend.

Mr. BOYS: I am not making this suggestion in order to cause any trouble. I am suggesting to the minister that he should so word this that the intention of the clause may be carried out as I submit it cannot be at the present time.

Mr. CANNON: If I make that amendment, my hon. friend might find other cases that would compel me to amend it again.

Mr. BOYS: My hon. friend seems to have a high opinion of my ability. He has only to consider once again that what he has to deal with is the interest in the land, not in the dwelling house.

Mr. ELLIOTT: We have in Ontario, as the hon. member (Mr. Boys) well knows, a clause that corresponds almost exactly with the clause in this bill, that is a clause by which the county that helps an indigent person shall have a right to a transfer of the property belonging to that person and the county judge is resorted to for his decision whether or not under all the circumstances the transfer should be made. In that case they charge the full maintenance and six per cent instead of five per cent. I happen to have the Ontario act in front of me.

Mr. BOYS: Would my hon. friend read the wording? I am quite familiar with the act but I do not recall the exact wording.

[Mr. Cannon.]

Mr. ELLIOTT: It is chapter 290. Section 12, subsection (3), reads:

> Where an inmate of a house of refuge is or becomes possessed of any real or personal property out of which the cost of his maintenance or any part of it can be paid, if any sum is due for such maintenance and has not been paid, a judge of the county court of the county in which the house is situate may, on the application of the council of any municipality interested, and upon such notice to the inmate as he may direct, order that any part of such real and personal property be vested in the corporation or corporations by which the house was established for the purpose of securing payment of the cost of the maintenance so due, or which may thereafter become due, with full power to take or recover possession of, manage, lease, mortgage, sell and convey all or any part of such property in the name of the inmate, or may make such other order, limiting or extending such powers, as may be deemed proper, due regard being had to the value of the property, and as to what part, if any, of it is necessary for the support and maintenance of the family of the inmate.

And so on. May I call my hon. friend's attention to the fact that the clause in question provides for a greater safeguard to the widow about whom the hon. member for Vancouver Centre (Mr. Stevens) was quite properly concerned?

Mr. BOYS: My hon. friend will agree with me at once that that demonstrates the point I am presenting to the committee. That deals with real property and personal property. Real property is the land; personal property is something that is movable. I am suggesting simply that the wording in this particular clause is wrong and that what we ought to have is what is in that very act.

Mr. ELLIOTT: The clause reads:

> Where a pensioner is the owner of an interest in a dwelling house.

That is an interest in a dwelling house, I do not care whether it is an interest which enables him to use it for one month or six months or a year or for life, or an interest in tenancy, or an interest in fee simple. My hon. friend knows quite well that if a house is built on a freehold, it becomes part of that freehold.

Mr. BOYS: Real property.

Mr. ELLIOTT: Yes. But any interest in a house covers every possible interest that he might have and he can convey it.

Mr. BOYS: In the house, yes.

Mr. ELLIOTT: There is no interest in a dwelling house which cannot properly be conveyed under the law of Ontario or of any of the other provinces even if that interest is only a weekly or a monthly tenancy. My hon.

friend will recall that under the maxim that has already been referred to, if you build a house on a piece of property that house becomes immediately affixed to the freehold and passes with the freehold, and the only way you can deed it is by a deed of the land. I submit that under the circumstances the clause in question has made the most ample and careful provision for the unfortunate widow. May I call my hon. friend's attention to the last clause which I think has been somewhat overlooked?

But no claim shall be made by a pension authority for the recovery of such debt directly or indirectly out of any part of the pensioner's estate which passes by will or on an intestacy to any other pensioner or to any person who has, since the grant of such pension or for the last three years during which such pension has continued to be paid, regularly contributed to the support of the pensioner by the payment of money or otherwise to an extent which, having regard to the means of the person so having contributed, is considered by the pension authority to be reasonable.

I think that meets what my hon. friend has in mind. If the widow was not able to contribute any more, what she contributed will be considered by the pension authority to be reasonable. If, having regard to her means, the pension authority considers that what she has done has been reasonable in assisting the pensioner, then no claim will be made.

Mr. LADNER: Those last few words refer only to the extent. The operating portion is the one which specifically states:

To the support of the pensioner by the payment of money or otherwise—

And then it goes on to say:

—to an extent—

Then of course the pension authority calculates the extent; but if there has been no contribution, if the widow has been an invalid or for any other reason has made no contribution, the Solicitor General will agree with me that she would not have consideration; the home would be taken from her on behalf of the pension authority to pay the pension.

Mr. ELLIOTT: Can my hon. friend conceive of any one case where there would be no contribution either by money or otherwise by the deserving widow of a deceased person?

Mr. LADNER: I can conceive of the most deserving of all cases, the sick wife, the woman who perhaps with a large family has been an invalid for years.

Mr. ELLIOTT: Then she did the best she could.

Mr. LADNER: Certainly she did. Providence did not give her a constitution strong enough to stand up to her ailments, and during, let us say the last five or ten years of her life, she finds herself an invalid contributing nothing in money or services or otherwise. Yet that most deserving of all cases is the very one which will suffer under this clause while others less deserving have the advantage of it.

Mr. GLEN: There are two different points of view, one with regard to the income of any two persons who might be living together. I think my hon. friend has omitted to look at the whole of the bill. If he will refer to section 19, he will see that power is given to the governor general in council to make regulations and among the regulations are these:

(e) The manner in which the income of a pensioner is to be determined for the purpose of this act, and in particular the mode of reckoning the income of either one or two spouses who live together.

Under paragraph (m) regulations can be made with regard to:

(m) The administration of a pensioner's property by a pension authority.

I have had some experience with the administration of old age pensions, because I happened to be the secretary of one of the committees that was in charge of the old age pension bill when it was first introduced in Britain, and I can remember quite well that all the discussion that has taken place here to-day and yesterday came up in Great Britain. The act as first drawn by the Imperial parliament was altered out of recognition almost after two or three years experience with its provisions, and I think the same thing is likely to happen here, because we shall find so many circumstances that will have to be provided for in the general act. The Solicitor General is perfectly right when he says that a general provision in the act giving power to the authorities to do certain things cannot take into account every exceptional circumstance that may arise, but we have that general provision backed up by the power that is given to make regulations, and we may assume that these regulations are going to take into account all the arguments that have been submitted here to-day and yesterday, and that they will be framed accordingly. But apart altogether from that, my experience has been that the committees and those in charge were always willing to give the very best possible view to a pensioner, and I think in common humanity no province will take away from the surviving widow of a pensioner the little piece of property which her husband had accumulated

from his earnings. I think we may feel perfectly safe in leaving it to the authorities to carry out the regulations in conformity with equity and justice.

Mr. McQUARRIE: Will my hon. friend, as an expert in old age pension legislation, say that this act follows the act at present in force in the old country?

Mr. GLEN: This clause 9 was not in the act of 1904.

Mr. BRADY: I would like to ask the Solicitor General what is the connotation of the phrase "dwelling house?" In British Columbia many of the fishermen who possess land live habitually in a boat. That is their home. Would "dwelling house" include such a place?

Mr. CANNON: I do not think there is any doubt that the words "dwelling house" would include that.

Mr. BRADY: The dictionary definition does not cover it.

Mr. CANNON: Again that would be a question for the pension authority to decide, but notwithstanding the findings of my hon. friend in the dictionary which he consulted, I have no doubt that any person who would represent to the pension authority that his dwelling place was a boat would not be forced by the pension authority, notwithstanding any dictionary, to live anywhere else. It would be considered as the pensioner's regular dwelling place. I had a somewhat similar case in our city of Quebec, where it was decided that if a person lived habitually in a boat which was moored to a wharf within a certain constituency, he was entitled to vote as being a dweller in the constituency.

Mr. BRADY: I regret exceedingly, Mr. Chairman, that the Solicitor General should consider that every question asked has an ulterior motive. I had no intention of prolonging the discussion or objecting to the passing of this clause. I asked my question simply for elucidation.

Mr. CANNON: I may say to my hon. friend that I did not impute to his remarks any ulterior motive. His suggestion may be due to the instance which I quoted, but only when my hon. friend gave it that interpretation did it occur to me that he might have got that impression. I just quoted the instance as an experience I had had in my profession as a lawyer, and my hon. friend may rest assured that when he has known me a little longer he will realize that I do not impute motives to anybody.

[Mr. Glen.]

Mr. STEVENS: May I ask the minister in charge of the bill, as one layman speaking to another, a plain, simple question? Let us get away from some of this technical, legal phraseology. In the case of an applicant for a pension owning a house, irrespective of what it is—we will say it is a small home—can he receive the pension and continue to live in the house without either transferring the house to the pension authority or suffering any deduction from his pension?

Mr. HEENAN: Yes, it is intended that he shall get the full pension and still reside in his own home.

Mr. STEVENS: There is no question about that?

Mr. HEENAN: No question.

Mr. STEVENS: Then this transfer is purely optional?

Mr. HEENAN: Surely.

Mr. STEVENS: I would like that made perfectly clear so that no dispute can arise later.

Mr. HEENAN: If that is not perfectly clear, we will make it clear in the regulations.

Mr. McQUARRIE: It is meaningless altogether as it stands.

Mr. STEVENS: I do wish to keep away from a technical argument in this matter. Will the minister, as the one in charge of this bill, and speaking for the government, say that the intention is clear and definite that an applicant for a pension who owns a house may continue to live in that house without transferring it to the pension authority and without suffering any deduction from his pension?

Mr. HEENAN: Without transferring it?

Mr. STEVENS: Yes.

Mr. HEENAN: Oh, no.

Mr. CANNON: My hon. friend asks, if a person owns a dwelling house and refuses to transfer it to the pension authority, will the value of his interest in that dwelling house be deducted from the pension he receives? There is no doubt it will be deducted. But this clause provides simply for the case where the owner of a dwelling house transfers his interest in it to the pension authority, and the pension authority recoups itself after his death. But if the pensioner refuses to transfer that interest, clause 9 does not cover that case.

Mr. STEVENS: Then it is not optional, as indicated by my hon. friend from Comox-

Alberni a moment ago? I was quite sure my hon. friend was in error there. I do ask that this point be made absolutely clear because there is a marked difference of opinion between the interpretation of my hon. friend and myself, both of us laymen, and consequently giving a common sense interpretation. I would like now to have the assistance of a legal adviser to make the intention abundantly clear. The point my hon. friend takes is that it is purely optional with the applicant whether he transfers his dwelling to the pension authorities or not, leaving the inference —I think he believes this—that the applicant will not suffer a deduction from his pension if he does not transfer. My interpretation is that if he fails to transfer to the pension authorities a deduction will be made from his pension.

Mr. CARDIN: That is right.

Mr. STEVENS: Then I am afraid my hon. friend is not correct in his statement.

Mr. NEILL: My hon. friend has not interpreted my remarks correctly. I was saying that it is absolutely optional. The words used must indicate that. The pension board may accept, but before they accept somebody has to make the offer.

Mr. McQUARRIE: Why should any person offer a dwelling house to the pension board?

Mr. NEILL: For some advantage to be gained.

Mr. McQUARRIE: What is the advantage to be gained?

Mr. NEILL: If he does not wish to transfer to the government he does not have to. If he does not transfer to the government, the rental value of the house will be deducted from his pension if it is worth more than $125 a year, but if only worth $10 a month he will suffer no deduction, and will be able to continue to live in the house. Where the house is of a greater value, for instance, a white elephant, worth $30 a month, of course the case is different. He does not want to live in such a house. Therefore he says to the board, "Will you take a transfer of this property from me"? Later, when the government sell the house, they recoup themselves not to the full amount of the man's pension but only for that portion in excess of what he would have received if he had not transferred the house.

Mr. McQUARRIE: That would necessarily be much more than the pension, would it not, according to your statement of fact —$30 a month for the house?

Mr. NEILL: He does not have to transfer, but if he does not transfer the rent of the cottage will be charged against him, if over $125 a year.

Mr. STEVENS: Deducted from his pension?

Mr. NEILL: Yes. But in the other case he does not require to have any deduction and he gets his full pension.

Mr. McQUARRIE: I do not wish to continue the legal argument with the Solicitor General and the Minister of Public Works, because I do not think we can ever agree. A feature in section 2 I desire to call attention to, is the provision for the payment of interest at the rate of five per cent per annum compounded annually. I do not see why we should charge this rate of interest, or in any event why we should charge compound interest.

Mr. HEAPS: This is one of the clauses to which I took objection last year, but I have no desire to prolong the discussion on the bill, as no doubt the clauses will go through as they are framed at the present time. However I have had a little experience in the city from which I come of a similar clause of an act in which they provided social relief, and I found that it worked out unsatisfactorily. In addition to that, as far as the pensioners are concerned there will be opportunity for evading this particular provision of the bill. If a pensioner at the age of sixty-eight or sixty-nine, who is about to receive a pension, has a certain amount of real estate, he may either transfer that property or sell it and retain the proceeds, in which case the government will not be entitled to take anything out of the proceeds of that property.

Mr. NEILL: He cannot do it.

Mr. HEAPS: There are always ways and means of overcoming these provisions. There are many lawyers in this House who could devise means of overcoming the provisions of the bill.

Mr. McQUARRIE: Winnipeg lawyers.

Mr. HEAPS. And New Westminster lawyers as well. The act works out very unsatisfactorily in Winnipeg. I hate to think the authorities could go to a person who is about to receive a pension, and say, "You own a piece of property, and you will have to sign the agreement or we will put a lien against your property." That would take away a good deal of the benefit to be derived by the recipient of the pension. Personally I would far rather see the bill go through

without any clause of this particular character. It would be much better, and I think it would have the effect of giving a real pension to the pensioner. Under the present bill we give with one hand and we are likely to take away with the other. The average pensioner owns very little property. If a person happens to own a few hundred or a few thousand dollars' worth of bonds, his estate will not be confiscated by the authorities, but those who happen to own a home are likely to have it confiscated. I do not see why we should differentiate between the two cases, or why one should be exempt and the other confiscated by the government. I suppose the bill in its present form is going to be passed and anything I may say will not change the intention of the government.

In addition to this particular clause we have a clause which allows a petitioner to receive from wages or other forms of income a maximum of $365 a year only. He must be receiving less than that before he can obtain a pension. Where a person receives $125 per annum, the pension is deducted, and consequently I think the clause is rather harsh. It will work a great hardship on some people. One consoling feature I see in the measure is that a great deal will depend on the regulations which will be framed by the department. What appears harsh just now, might not, after the working regulations are framed, result in any hardship to the recipient of the pension. I hope when the government drafts the regulations they will see that the least possible hardship is imposed on the recipients of a pension and they will allow a wide latitude to the authorities who are to administer the act.

Mr. EDWARDS (Frontenac): I hope, with the hon. member who has just spoken, that when the regulations in connection with this measure are framed considerable latitude will be given along generous lines. I rise for the purpose of stating what I stated when the bill was before the House last year, and I wish to place myself on record again. I stated, and I gave a reason for my statement, that in my judgment the amount of $20 a month was too small a pension. I made inquiries from the country clerk of the county municipality, as to what the municipal corporation was paying out for the poor of the county, who were taken care of in the two institutions in Kingston. I found that for food and clothing and such incidentals as tobacco it was costing the county of Frontenac more per head for each person cared for than is being allowed by this bill. It was costing more in short than $20 a month for each individual, and that did not take into consideration the overhead charges, such as heating and lighting the buildings and so on. The actual cost to the municipality for taking care of the poor in those institutions, for food, clothing and such incidentals as tobacco and so on, amounted to more, on an average, than $20 a month. I stated then, I repeat now, that I do not agree with those who think that the passing of this bill will relieve the municipalities of taking care of their poor. Allow me to repeat one or two of the reasons I gave on that occasion. At present an aged man or woman is taken care of in one of these institutions. The older the inmate gets of course the more care he or she requires, including medical attendance, all of which is free. But undoubtedly there would be a disposition on the part of an aged person to take the pension of $20 a month and stay in his or her own home, for there is a natural dread or dislike to go into a house of refuge or a poorhouse. But out of that $20 per month the pensioner must provide not only food and clothing but light and heat and also medical attendance whenever required. In the institutions I have mentioned in the various counties of Ontario it costs for maintenance and medical attendance more than $20 a month per individual. Therefore this pension of $20 per month will be inadequate to enable the pensioner to take care of himself or herself in the same manner as he or she would be cared for if in one of these institutions. I made this statement last year. I make it again now because I want to place myself on record as I did then in that regard, and to emphasize as far as I can what has been said by the hon. gentleman who preceded me and by other hon. members, that in framing regulations to make this measure do what on the face of it it is supposed to do there should be the most generous latitude possible in order that its purpose may be carried out and real relief given to those who are supposed to be benefited by this legislation.

Section agreed to.

Sections 10 to 20 inclusive agreed to.

Bill reported.

Mr. SPEAKER: When shall said bill be read a third time?

Mr. STEVENS: Next sitting of the House.

Some hon. MEMBERS: Now.

Mr. FORKE: Finish it.

Mr. SPEAKER: When shall said bill be read a third time?

Some hon. MEMBERS: Now.

Mr. STEVENS: All right, go ahead.

Bill read the third time.

Mr. SPEAKER: Shall the bill be now passed and the title entered as on the order paper?

Mr. A. A. HEAPS (North Winnipeg): Mr. Speaker, during the time this bill was in committee I took the opportunity of criticising it in several particulars. Now that it is about to be passed I wish to assure the Minister of Labour (Mr. Heenan) that I hope to see it put into operation and that he will get my hearty coöperation in making it effective.

Motion agreed to and bill passed.

SOLDIER SETTLEMENT ACT 1919 AMENDMENT

Hon. ROBERT FORKE (Minister of Immigration and Colonization) moved the second reading of Bill No. 61 to amend the Soldier Settlement Act 1919.

Motion agreed to, bill read the second time, and the House went into committee thereon, Mr. Johnston in the chair.

On section 1—Revaluation of land sold to settlers, etc.

Mr. NEILL: As this bill consists of one clause only I suggest that we consider it by subsections.

Mr. STEVENS: This bill last year received a good deal of consideration and it was demonstrated fairly well then that in its drafting as well as in many of its provisions it was quite defective. We have also had some discussion of it this session, on the resolution. There is not much disposition on this side to haggle over the bill, and I gathered from the minister's attitude a few weeks ago that it was the intention of the government to put this legislation through practically as it stands. As the hon. member (Mr. Neill) observes, the bill consists of a single clause, but I do not think that any great purpose will be served by going into any detailed analysis of it. The government is determined to pass it in its present form, and the minister showed a very slight inclination to consider the suggestions offered on this side to make it somewhat clearer than it is at present. I do think however that the minister should make some statement to the committee indicating precisely what the government's plans are should the bill become law. We asked him to do so when the resolution was introduced and he said, "Read the resolution." I presume we shall get a more civil answer to-day. I hope the minister will be in a more communicative state of mind than he was on the former occasion and tell us what his intention is with respect to the bill. There are points in it regarding power of arbitration, and so forth, on which we should like to have some definite information.

Mr. FORKE: I am very sorry that the hon. member should draw the inference he has taken from the remarks I made when I introduced this measure. I can assure him I had no intentiol of doing anything but giving the fullest information in my possession; and that is my disposition to-day. I will give all the information I possibly can and I am willing to discuss the bill in detail if the committee so desires.

Since last year some changes have taken place in relation to soldier settlers, and while they are not extensive, the figures are different in many instances. Altogether 24,428 returned soldiers were settled on the land under the provisions of the act. Of these 4,250 were settled on free Dominion lands. This bill does not touch their case. A further 2,521 were advanced money to pay off mortgages, or to erect buildings, or to provide live stock and equipment on land which they themselves owned. This leaves a total of 17,657 for whom land was purchased, but of these 440 have paid off their loans in full and are no longer soldier settlers. The proposed bill does not deal with these cases at all. A further 6,098 men for whom land was purchased have sold their interest under assignment to other persons, or have abandoned the property, or have been foreclosed. In the main, this bill does not deal with these cases. There remain, therefore, 11,119 soldier settlers for whom land was purchased and who are still active settlers. These constitute the soldier settlers who are privileged to apply for revaluation.

Mr. EDWARDS (Frontenac): Can the minister tell us how these men are distributed by provinces?

Mr. FORKE: I am sorry I have not the figures showing their distribution. The committee will understand that in the case of any soldier settler who is satisfied, who has no complaint to make in regard to his land, the property will not come under review.

Mr. STEVENS: In other words, you will not thrust your attention upon him?

Mr. FORKE: No. The advantage to the men who were advanced money to pay off their encumbrances was that they could get their money at five per cent, whereas in

many cases they had been paying eight per cent. As I say, there is provision in the bill to deal with the 6,098 men who have abandoned their property or who have been foreclosed. There is a section providing that if the land is still available it will be possible, should he so desire, for the soldier to return under a revaluation.

A good deal of money has been spent in assisting soldier settlers in the way of reduced prices for stock and equipment and reductions in interest. In 1922 the soldier settlers then on the land were given a rebate in interest, in an interest exemption for four, three and two years, dependent upon the time they were settled. This interest rebate aggregated some $10,000,000. In 1925 they were given a further rebate, in that their capital indebtedness was reduced by cutting off 40 per cent or 20 per cent—dependent upon the time they were settled—of the cost of all live stock purchased for them before October 1, 1921. The cost of this measure of relief amounted to over $2,000,000. Altogether, therefore, in previous relief measures, soldier settlers have received a rebate amounting to more than $13,000,000. The present land revaluation bill provides for a further relief in addition to the two measures already referred to.

Mr. EDWARDS (Frontenac): Was that done as a general policy or was it a matter of dealing with each individual case on its own merits?

Mr. FORKE: It was a general policy applying to all. Some estimate has been attempted of what this bill is likely to cost the country. This at best can be but a guess, but taking the figures I have mentioned and the number of men to be dealt with, should they all come under the act, and placing the average reduction at 25 per cent, the cost would amount to $10,000,000. It is manifest however that until the individual cases are dealt with it is quite impossible to make any estimate as to what the measure of relief given will aggregate in actual money. I think, however, it will be approximately $10,000,000 putting the average reduction at 25 per cent.

Mr. EDWARDS (Frontenac): That is, assuming that all are dealt with.

Mr. FORKE: Yes. I may be wrong but I am inclined to think that this will be the maximum. The committee will realize of course that I have no means of judging precisely. A certain percentage, it is to be assumed, will not apply, but with the reduction at the suggested percentage, the amount I have mentioned will no doubt cover the cost.

The question has been asked, what relief has been given to soldier settlers in the past? Their capital indebtedness was reduced by 40 per cent or 20 per cent, depending on the length of time they had been on the land and on the live stock purchased for them before October 1, 1921. The cost of this measure of relief amounted to $2,903,656, and altogether the relief received by soldier settlers on stock and implements and the rebates on their land has amounted to $13,000,000. The proposed measure does not include the granting of any further money by the Dominion government, but will bring about a reduction in the liabilities of the soldier settlers to the government.

I have been re-reading the discussions which took place in this House last year and I have noticed that hon. members were continually bringing up individual cases which they desired the bill to cover. It was a very natural thing; hon. members would think of someone near their homes whose case did not seem to be covered by the bill, but I think it will be found practically impossible to draft a bill to cover every individual case. There is no doubt that there will be a certain amount of hardship to some of the men who will not come within the provisions of this bill, but that cannot be helped.

There is another view which is sometimes left out of consideration. Perhaps one-half of the soldiers who went on the land never came under the provisions of the Soldier Settlement Act, making their own arrangements in different ways. Consequently those soldiers got no relief and no assistance at all. Others again have perhaps struggled along, just hanging on, and during the last year or two have been forced to leave and will not be provided for. To get the matter down to a working basis we must consider only the soldiers who are now on the land and actively engaged in farming, with the exception of cases where they have only recently left their farms and the land is still vacant. In those cases under the provisions of the bill an opportunity will be given them to try again, with a reduced valuation.

A good deal of discussion took place last year with regard to different methods of revaluation, and a considerable number of members at that time favoured a flat rate which, I think, would not be found practical. It does not follow that all the farms occupied by soldier settlers were over-valued or that they paid more than the land was really worth at that particular time. I have no doubt that some farms were well worth the money paid for them and I know some soldiers who

would not sell their farms for what was originally paid for them. In New Zealand, Australia and Great Britain they have had their returned soldier problems, and in each of these countries the flat rate has been discussed and abandoned as impractical and unsuitable. It was perhaps unfortunate, although there is no use crying over spilled milk, that this plan of dealing with soldier settlers was brought up at a time when prices of land, stock and implements were inflated. That is past history, although I have no doubt a good many people think Canada has been particularly unfortunate in relation to the land settlement of her soldiers. A little inquiry into the facts in New Zealand, Australia and Great Britain will convince anyone that Canada has been after all more fortunate than any of these three countries in relation to this question. All these countries have made drastic reductions in the prices of land, stock and implements to the soldiers who have been placed on the land, so in this case we are only following what has been done in the other British countries in matters of this kind.

It is also unfortunate that this matter has been so long delayed and that many who might have been able to stay on the land and perhaps become prosperous and successful if they had received assistance in time, have been forced to leave. We cannot help that, and I may say that one reason why the bill has been introduced in its present form is because this is the form in which it passed the Senate last year. I am sorry the hon. member for Vancouver Centre (Mr. Stevens) misunderstood me and thought perhaps I was not anxious to give all the information possible to the House when this resolution was introduced. I want to remind the hon. member that I am a new minister, and perhaps some of the replies I made were sharper than I had intended them to be. I remember making a reply in regard to a particular section, stating that it meant what it said. When I thought it over later it did seem a sharp answer, although I simply meant that it seemed to me to express the intended meaning.

Mr. STEVENS: The minister is making amends to-day.

Mr. FORKE: I think when the hon. member is a little better acquainted with me as a minister he will find that whatever my faults may be I am not extremely bitter or vindictive. I am not trying to apologize but am simply trying to explain.

Mr. STEVENS: And we are accepting your explanation.

Mr. EDWARDS (Frontenac): The company you were in made you nervous.

Mr. FORKE: I do not know that I was exactly nervous. However, that was my idea introducing the bill in this form. There was a good deal of discussion in the House last year; almost every member had a different opinion of what the bill should contain, and I do not know that we were perfectly satisfied with the bill when we finally passed it. It went from here to the Senate where it received some overhauling and was finally passed. My idea was that if we could pass the bill in much the same form as it was passed by the Senate last year it would again go through the Senate with very little trouble and this revaluation would come into effect without further delay. If we change it again and cut it up in all directions it may be thrown out in the Senate, and if the bill is not passed this session the men on the land will lose this benefit, because it is not going to do them very much good unless it is passed right away. That does not mean that we cannot discuss the different sections of the bill as we go on, and I am prepared to say that if any real amendment is proposed which will be acceptable to the House as a whole, I will be quite willing to accept it. I want the House to think this over carefully however, and hon. members to be sure that by the amendments offered they will actually help the soldier settlers, because after discussion with the different members I am satisfied that each one has some particular case he wants the bill to cover, and that cannot be done.

I do not know that I should take up any further time just now; I will be glad to answer any questions that may be asked and to give any information in my possession.

Mr. McQUARRIE: As stated by the hon. member for Vancouver Centre (Mr. Stevens) and by the minister this bill was under discussion last session, when I took part in the discussion and offered certain criticisms. I did not oppose the bill then and it was not opposed by anyone on this side of the House, and I do not intend to oppose it to-day. In the meantime, however, and within the past few weeks, a very large and representative meeting of returned men from all parts of Canada was held. That was the Dominion convention of the Canadian Legion which was held recently at Winnipeg. I have received from one of the delegates a copy of a resolution which was passed unanimously by that convention and which contains its views. My informant was the secretary of a special committee which was appointed to consider soldier settler problems. That committee consisted of four delegates from each of the provinces. They were practically all farmers and eighty per cent of them were soldier

settlers. A representative of the Soldier Settlement Board was present during the whole of that convention and took part in the discussions. As it is only right and proper that a resolution passed by that important convention should be laid before the House, I have undertaken to read it and I would ask that it receive careful consideration, representing as it does the views of many of the returned men of this country on this important problem. I will take the time of the House for a few minutes to read the resolution, which is as follows:

The Canadian Legion of the British Empire Service League in convention assembled this 26th day of January, 1927, gratefully welcomes the announcement by the government that at the coming session of parliament legislation providing a measure of relief to the soldier settlers will be introduced;

The convention, however, is unanimously of opinion that the re-valuation of lands,—being the form of relief generally indicated by government speakers will be slow costly and inadquate; and the convention, knowing well the problems of the soldier settler calls earnest attention to the following minimum requests and requirements:—

1. (a) That pending the effective application of relief measures no settlers be evicted from their farms, and all distress proceedings be stayed;

(b) That all interest charges on loans be waived, and that all payments already made on account of interest be applied in reduction of principal; this provision to cover the entire contract period, and to include interest consolidated into loans.

(c) That a general reduction of twenty-five per cent be made to the settler on the original cost of the farm, the permanent improvements and the equipment.

(d) That, further, where special hardships have arisen from climatic disaster, ill-health or other cause beyond the control of the settler, provision be made to reduce the indebtedness to such a sum as the farm can fairly bear as a commercial investment.

(e) That after the foregoing adjustments have been made the total debt remaining shall be payable in equal annual instalments over the remaining period of the loan.

2. Be it resolved that the Soldier Settlement Board shall have discretionary power to relocate bonafide soldier settlers who are found to be located upon manifestly unsuitable farms; such re-location to be made without financial loss to the settler.

3. Be it resolved that the Soldier Settlement Act be extended so that returned soldiers may take advantage of it, and at least be given rights equal to those accorded immigrants under the Empire Settlement Act.

4. Be it resolved that the government should again open up school lands for purchase by ex-soldiers through the Soldier Settlement Board.

5. Be it resolved that where an ex-service man has not had a soldier grant but has paid his pre-emption dues, these dues be repayable from the Department of the Interior.

[Mr. McQuarrie.]

6. Be it resolved that on application by the settler the board release caveats filed by it where it already holds primary security.

7. Whereas in March, 1924, when the government instructed the Soldier Settlement Board to eliminate further loans to returned soldiers no provision was made for building, clearing and equipment advances to returned soldiers located on homesteads and soldier grants;

And whereas those men have been doing and are doing a real colonization service to the country in that they are occupying and developing raw bush areas and have proved their capacity and sincerity as land settlers;

And whereas the advances required by those returned soldiers are very small, involving no expenditure for land purchase.

Therefore, be it resolved that the Canadian Legion of the B.E.S.L. do respectfully urge upon the government that in fairness to returned soldiers settled on homesteads and soldier grants, in the interests of the development of the country, the provision of the Soldier Settlement Act, with respect to advances on Dominion lands should not be altogether curtailed and that the government instruct the Soldier Settlement Board to continue advances to soldier settlers on such homesteads and soldier grants.

W. A. IRWIN,
Chairman.

8. That the act of salvage be a complete quittance from all indebtedness to the board.

W.A.I.

Along with this resolution the secretary sent me a synopsis of the arguments which were advanced in support of it, and I would like to read a few quotations from those arguments:

The Winnipeg convention fully demonstrated the fact that the revaluation of lands scheme appeals only to the officials of the board and to a favoured few who had expectations of being on the re-valuation commission.

Then again:

As one of the board's provincial superintendents recently stated, "The scheme has its weak points, and we see that appraisers will probably be influenced by sympathy and by politics." It is now generally recognized that the re-valuation of lands scheme is not feasible. In addition to reasons enlarged upon in another article herewith, we claim there cannot possibly be any equity in it.

Then again:

A re-valuation of lands by a government commission will lower not only values of settlers' lands but will have an adverse effect on all lands.

Mr. NEILL: What is the hon. gentleman quoting from ?

Mr. McQUARRIE: From a synopsis of the arguments in support of the resolution which I read. I have received this synopsis from the secretary of the special committee which dealt with this matter. Then it said:

Re the reduction of principal. The government of British Columbia, having a similar problem to deal with, though on a smaller scale in the Merville soldier settlement scheme, recognized that a physical revaluation was impracticable, and granted relief by making a straight thirty-five per cent cut in all loans. This has been received by the people of British Columbia, as being the most equitable solution of the problem. A precedent has been established and the ex-servicemen of Canada have no hesitation in drawing the attention of the federal government to it, confidently believing that relief in similar form will be granted.

I would be very glad to put on Hansard all the arguments that are contained in this synopsis, but I am afraid the rules of the House would not permit me to do so. I would, however, direct the attention of the minister to these arguments. I presume he has received a copy, but if not, I should be glad to supply him with the copy I have.

In my constituency there are a great number of returned soldiers. I know what those men have had to contend with. I know that they went on the land in a great many cases without the necessary knowledge to enable them to make a success. I know that certain of those men got land which was not suitable for their purpose at all. I know this also, that those men with very few exceptions have done their very best to make good. They have had difficulties of all kinds to contend with, particularly on the brush lands, but they have done splendid work and in no case that I am aware of have those men got a fair return for their work. I say to the government that it is only right and proper that the opinions and recommendations of a convention such as the one I have mentioned should be taken into serious consideration. I do not think this bill is a perfect one. I think improvements can be made in it, and I was very pleased indeed to note that the minister was prepared to take suggestions into consideration, and in proper cases accept amendments to the bill. I am not going to take up any more time, but I do again urge that the recommendations of the returned men themselves at the Dominion convention of the Canadian Legion be given serious consideration.

Mr. STEWART (Edmonton): May I ask the hon. gentleman whether the W. A. Irwin mentioned as chairman of the special committee is W. A. Irwin of Edmonton?

Mr. McQUARRIE: It does not say, but I have a letter here which I shall be glad to show the minister from the secretary of the special committee, who sends me a copy of this resolution purporting to be signed by "W. A. Irwin, chairman." I subsequently received a telegram from the same gentleman dated Langley, B.C., February 25, 1927, reading as follows:

> Fraser Valley Milk Producers' Association over two thousand members in annual meeting unanimously endorse Canadian Legion convention resolutions regarding soldier settlers. Still oppose bill six one.
>
> (Sgd) PAYNE.

Mr. STEWART (Edmonton): The hon. gentleman is familiar with the resolutions. Would he mind enumerating the salient points? I did not follow them all, but I noted one concerning the application of all interest payments against principal, and another suggestion of a 25 per cent reduction on top of that on the valuation of the land.

Mr. McQUARRIE: That is right. There are other recommendations here, but I do not want to go over them all again.

Mr. STEWART (Edmonton): I do not ask that, but perhaps my hon. friend would summarize in his own way the salient points.

Mr. FORKE: I think the Canadian Legion might at least have sent me a copy of this resolution. This is the first intimation I have had that such a meeting was held and that such resolutions were passed. Surely the hon. member does not expect me to be able to pass judgment on them without a little consideration.

Mr. STEVENS: The minister will probably know that a representative of his department was there and took part in the discussion. Surely such an officer should have reported to the department.

Mr. FORKE: He did not.

Mr. McPHERSON: I notice that the minister agreed with my interpretation that revaluation would be given where the agreement had not been cancelled. Under the original clause, and under the last clause, where the land had not been disposed of, but the soldier had left and the agreement had been cancelled, the soldier could apply for reinstatement and re-purchase. The hon. gentleman who has just sat down mentioned, in drawing attention to the resolutions, an item that is of considerable importance, and that is that no action be taken by the government to evict those in possession of the land where agreements have been terminated.

The point I wish to make is this, and it does not change, I think, the intention of the House or of the minister: If this act receives the same strict interpretation by the officials in charge that they are used to giving in connection with other Dominion acts—the

Pension Act, for instance—if they go by the letter of the law instead of the spirit, then the soldier who is on the land and whose agreement has been terminated cannot get the advantage of this act. There are a great number on the land to-day whose agreements have been terminated and cancelled, but out of sympathy, or because the department could not use the land anyway, these men have been allowed to remain on. I submit that it does not change the principle of the act at all, but if you wish to protect the rights of every soldier, and I think that is the intention of every hon. member, he should be in the position, although his agreement is terminated to come within the provisions of this amendment if he is still on the land. What I am afraid of is the system the officials of the department have in adhering so strictly to the letter of the law in the interpretation of these matters, if they can possibly do so. The officials seem to think the letter is of more importance than the spirit. Paragraph (j) speaks of any settler "who is desirous of returning to the land". I am not prepared to trust that to the interpretation of the officials. The words are reasonable enough, but the interpretation given to some Dominion acts, by the pension board, for instance, has been unreasonable and harsh, and I would suggest that we say, "Who is desirous of re-purchasing the land shall have the right to re-purchase".

Mr. ADSHEAD: The minister said in connection with that clause that it would apply if the agreement had been terminated recently. The word "recently" is very vague and paragraph (j) mentions no specific time within which this shall take place. I think that should be given consideration.

Mr. FORKE: It would be applicable only where the land is still available. If the farm had not been re-settled or taken possession of by any other party, if it was still available, the soldier would have the opportunity of going back.

Mr. ADSHEAD: Is there any time limit? The minister used the word "recently". I think we should have something more specific.

Mr. FORKE: I do not think there is any limit so long as the land is vacant.

Mr. GARDINER: What would be the situation with regard to the great number of farms you have contracted to provide for the British settlers? Would these be available in case this bill carries?

Mr. FORKE: Not in cases where the settlers have taken possession of the land.

[Mr. McPherson.]

Mr. GARDINER: I mean lands already on the list. You have thousands of farms listed for the British government.

Mr. NEILL: I think the answer given to the hon. member for East Calgary is not quite correct, because there is a limit to the time under the bill, which provides that any settler whose agreement with the board has been terminated or rescinded can apply for reinstatement; but he will be governed by the general regulation found under paragraph (d) which provides:

All applications for revaluation must be submitted to the board prior to the first day of—

so-and-so. So that he will not be able to come in after that date. It is limited to whatever period we now insert in that section, I suppose.

Mr. ADSHEAD: It must be 1927.

Mr. NEILL: Yes, in section (d). I think there is a mistake in that section. Subsection (g) says that the board shall credit the settler's account as on the standard date in 1926. The act as passed last year gave the date 1925.

Mr. FORKE: Yes, that should be 1925. It is a misprint.

Mr. NEILL: Then in connection with the remarks of my hon. friend from New Westminster, I do not know that he lent himself to the statement, but he put forward the views of the Canadian Legion in Winnipeg, and they ask for a flat rate and some remission of interest. The soldier settlers I represent are absolutely against a flat rate, and while it may seem unreasonable to combat the views of a large body of men such as attended the meeting at Winnipeg, still there are reasons for it. After all, self interest governs most of us. The majority of the settlers throughout Canada would not get any rebate under the revaluation. Some of the lands are worth a good deal more than they were when they were bought; consequently these men have nothing to hope for by the revaluation which is suggested. But if they can get the government to change the policy into one of a flat rate, no matter what it is, it is so much money to them. But that is going to do a great injustice to the people who need the money most. The minister says that a rebate of twenty-five per cent all round, as asked for at the Winnipeg meeting, would mean $10,000,000. But a rebate of twenty-five per cent will not be sufficient in many cases. With the exception of the district of my hon. friend from Dauphin (Mr. Ward), there is no riding in British

Columbia where the conditions are worse in that regard than the one I represent. The rebate of twenty-five per cent will not begin to do justice. The member for New Westminster has quoted a case where the British Columbia government gave a flat rate of thirty-five per cent, and in many isolated cases you would need a rate of fifty per cent. He cited the case of British Columbia giving a flat rate as an argument why a flat rate should be given all over Canada. But the reason for this is that the number of settlers are only forty or fifty; they are all congregated together, in one group, and it is reasonable that what you give to one of them you can give to all, because conditions are the same. But the same cannot be said of any other district. There is no other district in a similar position to that and a flat rate would not be fair. What would the government give as a flat rate? It would certainly be something not exceeding twenty-five per cent, and perhaps only ten per cent. If you granted a flat rate you would be giving men who did not need the money, and in their hearts did not want it, $200 or $300, and you would be taking away from men, who are up against it, their only hope of being able to stay on the land and you would diminish your chances of getting settlers on the land. The land in British Columbia, to which my hon. friend refers, and adjacent to which many of the settlers I represent reside, apart from the original cost, which in many cases was five times its market value, must be cleared, and the cost of clearing is heavy. I have cleared such land and I know that it costs from $200 to $400 an acre to clear it, and when it is cleared it is not worth half the lower figure, because it is poor land. When you have taken out a stump you have spent $20 and you have got a hole in the ground and nothing will grow there for four or five years, because the sub-soil has been brought up and it will not grow anything for years.

I went out there with the Premier and they showed us a place where the stumps were so close together that you could nearly walk across the lot by jumping from one stump to another, and this is the land for which we are asked to fix a flat rate, compared to the land on the Fraser river to which my hon. friend has referred.

That flat land has been made productive by the flow of the river through that section, and of course men will do well there. These men realize that they cannot get anything by revaluation, so they want a flat rate.

Mr. McQUARRIE: Does my hon. friend refer to cleared land or uncleared land in the Fraser valley?

Mr. NEILL: Cleared land.

Mr. McQUARRIE: That is not the kind we have.

Mr. NEILL: In many cases in the Fraser valley that is the class of land they have. I wish to explain to the House why this resolution was passed at Winnipeg. It was simply because the majority governed, and that is the only reason. If it is at all possible let us see that the valuation is based on the value of the land now, as compared with what the value was when they bought it.

Another important matter I want to allude to is this. The hon. member for Centre Vancouver (Mr. Stevens) said that this was practically the bill we had last year. So it is, with this exception, that there are one or two features of it we have not discussed, and the most important one is the change made by the Senate in the arbitration clauses. We never had an opportunity of discussing that in the House, because dissolution occurred before we had an opportunity to consider it, and that is one of the most important features of the bill. I know the government are anxious, as they were in the case of the old age pension bill, to pass the bill as nearly as possible in the shape it was when it left the Senate in the hope that they would be able to induce the Senate to pass it on this occasion, but hon. members must remember that there have been changes in the Senate. The personnel of the Senate has changed since last year considerably, and possibly there has been some change of opinion. Possibly some of the members have gone to their districts and are able now to realize the feeling among the settlers, and it may be that they will be disposed to accept another form of arbitration. At any rate if the government insists on it going through as passed by the Senate last year, well and good; we will have to accept it, but it is my duty to give an idea of how the men in my district look at this matter.

I have a letter from the settlers association in British Columbia which reads as follows:

> That we strongly urge Mr. Neill to use every endeavour to have all cases for re-valuation dealt with by an arbitration board as called for in original Bill No. 17, and not by Exchequer court judge.
>
> I trust therefore if at all possible you will obtain this amendment when the bill again comes up for discussion as our members consider it of vital importance.

The writer says he is writing to other members of the House whom he thinks might be helpful to him. Under the old act the board of arbitration consisted of three men, a county court judge, a representative of the board and a representative of the settlers. I know it is necessary when putting through anything of

this kind not only to do what we think is fair, but to make it appear fair to the settlers before they are asked to accept it. There is a popular idea among the settlers—I do not agree with it, I think it is a mistake—that the officials of the Soldier Settlement Board are more or less antagonistic to the interests of the settlers. The officials are the vehicles by which the board's orders come to these men, and these officials put pressure on the settlers to pay up their indebtedness and carry out their obligations. As between the debtor and the pressing creditor, or the pressing creditor's agent, there is naturally a certain amount of ill-will created, and the settlers have an idea that if the Soldier Settlement Board has too much control in the revaluation it will be to their disadvantage, and that is one of the reasons why they wanted to have this board composed of a representative of themselves, the county judge and a representative of the board. In this bill it is put in a different form from that in which it appeared in the original act. It says that he can apply for a revaluation, and if he is dissatisfied with the decision of the board he may apply to the Exchequer court.

Now, applying to the Exchequer court under ordinary conditions involves an enormous amount of cost and very considerable delay. I understand that in proceedings before the Exchequer court all the evidence and other material must be printed. The soldier settler will have to do that. Then when the settler complains as to this he is told, under subsection (i) that:

> The governor in council may make such regulations as he deems fit for the procedure in appeals to the Exchequer court.

Yes, but that is where the suspicion between the board and the soldier settler is aroused again. The soldier settler says, "Well, I don't think I can get a square deal from the board" —I am only quoting the opinion very generally held by soldier settlers; I think they would get a square deal—"and when I appeal to the Exchequer court I shall have to do it under such conditions of expense and delay with all the inconvenience incident to the long distance between my home and Ottawa as will render it impossible for me to appeal. But I am told that somebody is going to modify those conditions in a way that will give me justice." Who is going to do the modifying? The Soldier Settlement Board.

An hon. MEMBER: No, no.

Mr. NEILL: Yes. The subsection says the governor in council. That means the board. So the soldier settler apprehends that if he does not take the valuation given him by the Soldier Settlement Board in the first place, he must appeal to the Exchequer court under conditions that to him are utterly impossible unless modified by the very party against whose decision he is appealing.

Mr. GEARY: That is unreasonable.

Mr. NEILL: I think in many cases the Soldier Settlement Board will do what is fair; but you have to settle with these soldiers on the basis of something more than legality—you have to satisfy them. Otherwise in years to come the matter will be brought up in this House again and again. And the appeal of the soldier settler for justice or even for leniency never can be denied. Therefore this will never be settled unless it is arranged in a way that is satisfactory to the soldier settler. I think that means of satisfactory settlement was provided for in Bill No. 17 of last session, under which the soldier picks his own representative to act with the representative of the board, and the third party is the county court judge.

There is another objection of my own conception against the Exchequer court judge. I recall that many years ago in British Columbia an industry was going to be wiped out, and it was felt that the United States should compensate those who would be adversely affected. The United States government paid about half a million dollars to the Canadian government under a treaty for the compensation of those people who were going to be deprived of their livelihood. The Canadian government appointed a judge of the Exchequer court to go out to British Columbia and sit on those cases very much as he would do under this bill. What happened? As my friend behind me says, that judge took a narrow, technical, lawyer-like view of his commission. He so narrowed down what he conceived to be his line of procedure that he gave justice to only two or three people and threw out the claims of 90 per cent of those who were entitled to compensation. Those claimants are without their money to-day. The Canadian government holds it in trust, I suppose, and does not know what to do with it. It is pretty certain that the United States government as a rule does not pay more than is strictly coming to any claimants, but 90 per cent of those entitled were deprived of compensation by a too legal interpretation. That is another reason why we want to have men who are not lawyers to act in combination with a lawyer to sit on these cases. The lawyer, of course, would give them the legal aspect of each case.

Mr. GEARY: Cannot you have that under this bill?

Mr. NEILL: No. For that reason I think it would be infinitely better for the government to go back to the system devised in last years bill, which met with the unanimous consent of the House. Hon. gentlemen opposite wanted the change made, and the county court judge was inserted to meet their views. That was the best form of arbitration that the House could frame. I do not think it would imperil the passage of the bill in the Senate, because after all it would be open to the other House to strike out the amendment and again insert its own. Anyway, I have no hesitation in saying that that is what is wanted in the matter of arbitration by the district I represent and by some of the adjoining districts.

Mr. McQUARRIE: Mr. Chairman, the remarks of the hon. member for Comox-Alberni (Mr. Neill) justify me, I think, in reading to the committee another document which I have. It is as follows:

Memorandum from the Soldier Settlement Committee of the B.C. Executive Council of Canadian Legion of the British Empire Service League for the Hon. Dr. J. H. King, Minister of S.C.R., with copy for the Hon. Mr. Stewart, Minister of the Interior, pursuant to interview with the Hon. Dr. King of General McDonald, President B.C. Command, Canadian Legion and members of the executive council on 27th October, 1926.

re Relief for Settlers under the "Soldier Settlement Act".

Reasons Warranting Relief from the Heavy Debt now on the Settler

The introduction by the government of a bill to re-value lands held under the provisions of the S. S. Act, the manner in which this bill was received by parliament and the favourable comment made on it by the people is evidence that it is recognized that some form of relief is necessary; we beg however to give a résumé of our views on the subject.

1. During the past several years there has been depreciation in all farm land values. The settlers' lands were acquired at the peak of prices in the short-lived post-war boom, causing a much heavier load of debt on the settler than would have been the case had normal prices prevailed.

2. The load of debt now on the settler is such that there is no hope that he will ever be able to get from under from earnings from the land.

3. To contract to pay off such debt entirely by the earnings from the farming operations was an experiment never before tried.

4. Our old established debt-free bush farmers have, in thirty-five years done little more than just keep free from debt, by the sale of timber that have been able to carry on. Few soldier settlers got merchantable timber with their lands.

5. In the majority of cases the settlers were inexperienced farmers. They have now had experience, to them costly though necessary and valuable now to both the man and the country. During the years in which they were gaining this experience they were unable to keep up their payments, with the result that arrears have accrued causing the demand now made on them by the board to be for staggering amounts: for instance $1,100.00 and $1,200.00 for the 1926 payment.

6. Not one settler on a bush farm in B.C. has been able to make his payments to the board from the earnings of his place, such earnings to make the payments have had to be supplemented from other sources. With reference to the Fraser valley this statement is made without fear of contradiction.

(10th February, 1927. This is now found to be applicable to practically the whole of the Dominion. Prairie farmers state that only by a miracle could it be done by them.)

7. In many instances payments are made to the board by men who are heavily in debt to local merchants, as well as being in debt to the friends and relatives for borrowed monies, borrowed in an endeavour to meet the demands of the board. Merchants are now obliged to refuse credit and many settlers with their families are forced to do without actual necessities.

8. The wonderful spirit with which the men were imbued when they undertook to reëstablish themselves, and to pay for it, is fast breaking. The continued hard grind early and late, the privations he, his wife and family have to face, the insistent demands for payment of debts, the almost forced from him assignments to the board of the monthly milk, or other produce, cheque, and now the knowledge just coming to him that after over seven years of struggle he can never be the owner of the home, into the making of which he has put all of what the ravages of war left to him of the best years of his life, and every dollar of his savings—are some of the forms of adversity which are causing this spirit to break—sufficient to break the strongest spirit.

9. The feeling that he may never be the owner of the farm has now changed his perspective. Whereas he has looked on the farm as his own, and has worked it as an owner, he now works it as a tenant.

10. Loss of live stock. On the Pacific coast in an area defined as from California north to Squamish in B. C., there is a peculiar disease prevalent amongst cattle known as "redwater". In this area veterinary surgeons will not guarantee any cow immune to this disease. Many settlers in B.C. have suffered very severe losses from this cause. Instance: one who during the past three years has lost six milk cows with two new cases showing at this date—another in a shorter period has lost seven animals. With few exceptions the only reimbursement the owner of the animals gets is the value of the hide. Many have had very serious losses in the recent T. B. tests.

11. Save the country from the ignominy of having to eject the soldier. With broken spirit his temperament is changing; ejectment in its literal sense may not have been carried out, but we know of settlers being threatened with it.

12. Save the lands from reversion to the Crown, becoming non-taxable and a burden on municipal tax payers. On an abandoned property improvements at once depreciate in value,

and continue to depreciate until, and sometimes after, an inexperienced (in so far as the west and the bush is concerned) overseas farmer, who in the majority of cases is without money), has been placed on it under fairer conditions and circumstances than our own soldier settlers.

Finally: The relief—a full measure—is necessary to return to the men their spirit, the spirit which won the war, and to retain the men as farmers and as good citizens of the empire.

Why these men chose the Soldier Settler Scheme of Re-establishment

Though the scheme may have been conceived in a spirit of gratitude, is did appeal to the government as a wonderful and expeditious solution of the great problem of demobilization, when large members of men would be suddenly returned to civilian life, with, it was expected, a disrupting effect on the labour market.

The government did its work thoroughly. As early as the spring of 1918 Y.M.C.A. officers in France were busy expounding by lecture the merits of this marvelous scheme, and urging the soldier to go on the land, on his return, if ever, to Canada. Think of the effect of such a project dangled before the war-weary eyes of men who for years had trodden the wastes of the trench zone—peaceful home life instead of the crowded life of trench and camp; independence in place of a rigid, if necessary, discipline; privacy in exchange for the somewhat excessive society of his verminous, if heroic, comrades. He thought of the joy of his wife and children having the great open spaces to roam in, to play in, compared with the city flat. He thought of the milk, the honey, the fruit, all the good things his children could have. (In his past city life he knew that the farmer got all of the good things to eat, and always plenty of such good things.) Many a man, who until then had no thought of farming, had visions of all these; he saw the peaceful green fields pastured by herds of beautiful cattle; the appeal was too strong for him, and he determined that should he survive he would go on the land.

The man who had no such visions found, to his dismay on his return, that his war service was considered a detriment rather than an advantage in the eyes of most employers. He was told that his nerves could not be in shape to enable him to resume his former employment. and he was advised that the farm was the only place for him. After weary weeks walking the streets in search of employment, he found himself with diminishing funds and lessening assurance being inevitably drawn to the ever open door,—the Soldier Settlement board. There is thus a dual responsibility on the people of Canada as well as on the government.

Why, if not Successful, do they Stay?

The savings of their lifetime are gone. All have made payments to the board, some have made heavy payments. Those who owned other properties either in their own or wives' names had to give them as security to the board, chattel mortgages were taken by the board on privately owned stock and equipment.

Are they to lose everything? In plain justice it is not right that they alone should stand the loss.

[Mr. McQuarrie.]

They stay because the community wishes them.

They stay because the experience dearly bought is valuable to the country.

They stay because they have local debts which in time they are going to pay, and they are determined to redeem their good name.

The average age of the settler is forty years. It is well known that war service aged a man; it is conceded by the medical profession that according to the length of time a man had in actual foward area service, years have been taken from his life, in some cases five, yes and ten years. At his age, with the old spirit broken in his heroic but vain attempt to establish himself through the soldier settlement scheme, prematurely old, he has, in the matter of obtaining employment, placed on him a most severe handicap.

They stay with some hope that the government will in time give them alleviation.

Some reasons for British Columbia's Opposition to the Revaluation of Land Scheme

We do not believe it can be either workable or equitable. It will take too long to work out, and it will be very expensive both to the government and to the settler. Revaluation is impossible with a bush farm. No one can visualize the cleared, levelled, cultivated, drained, fenced fields of to-day as the bush, stumps and logs, both above and under the ground, roots, brush, stones and holes of seven years ago.

Provided the scheme was possible of execution, and it can only be possible where the lands, in a general way, appear to-day as they were when bought by the board, we fear there are many instances where relief afforded would be inadequate.

We fear prejudiced judgments where the board is both defendant and judge and we consider the idea of an appeal to the Exchequer court impossible.

In provincial convention held in May last, the form for relief asked was that there be a complete cancellation of all interest charges and reversion to principal account of all payments already made on account of interest, and that there be a straight reduction made in the principal amount shown in all agreements. This has been endorsed by new branches formed since the convention.

The cost of putting this scheme into effect would be very small, as would also the time taken to do so and to complete it. It would be entirely a matter of office work to be done by the staff already in the employ of the board. We venture to say that the cost of relief in this form to the country could be grealy offset by a reduction in cost of administration of the Soldier Settlement Board, which we believe will be made possible by the putting into effect of this scheme.

Mr. NEILL: May I ask a question? I quite agree with all the hon. member has said with one exception. Is it not obvious that in the sad and desperate case just laid before us more would be required than an average flat rate, and that that can be done by revaluation instead of taking a flat rate along with men who do not need the re-valuation?

Mr. McQUARRIE: I would like to finish this statement first.

The soldiers who are still on the land are recognized as some of our finest citizens. They are now established in the community, where the people desire them to stay in preference to the untried and "out-of-his-element" imperial settler. Out of the hundreds who took up land it is reasonable to expect a percentage of failures. There were failures, but the failures are long since gone, and the board is now satisfied that all are good settlers.

Recognition is fairly general of the fact that all farm lands are over-valued, over-capitalized. Surveys made in recent years by various bodies have proven this. Regarding our claim that it is impossible to pay for a farm from the earnings of the farm, may we mention that such surveys have shown that the farmer gets a return from his investment of two and one-half per cent, and never more than five. A survey made by the university of British Columbia showed a return of two and one-quarter per cent.

Some months ago one of British Columbia's best known, and most successful farmers, not an ex-service man, who for some time was chairman of one of the Soldier Settlement Board committees in the Vancouver office, and before whom hundreds of settlers and prospective settlers had to appear, was asked for a candid opinion of the soldier settlement scheme. His reply was, that it was "A fantastic dream which never could be realized."

This is signed by R. A. Payne, acting secretary of the soldier settlement committee, British Columbia executive council, Canadian Legion, British Empire Service League, and is dated at Langley, British Columbia, November 1, 1926. I have taken about twenty minutes to read this document; I noticed some hon. members who seemed to be getting uneasy, but I submit that it is only fair that the views of these men should be placed before this committee, particularly after the statement made by the hon. member for Comox-Alberni (Mr. Neill).

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

After Recess

The House resumed at eight o'clock.

PRIVATE BILLS

CONSIDERED IN COMMITTEE—THIRD READINGS

Bill No. 44, respecting the Ottawa Gas Company.—Mr. Chevrier.

Bill No. 74, respecting the Canadian Transit Company.—Mr. Odette.

Bill No. 75, respecting the Essex Terminal Railway Company.—Mr. Robinson.

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OTTAWA ELECTRIC COMPANY

The House in committee on Bill No. 43, respecting the Ottawa Electric Company—Mr. Chevrier—Mr. Johnston in the chair.

On section 1—Increase of capital stock.

Mr. HEAPS: What is the purpose of this increase in the capital stock? Does it represent actual cash or otherwise?

Mr. CHEVRIER: This bill is for the purpose of increasing the capital stock to allow it to be in keeping with the development of the company in the city of Ottawa. The money will be used for the purpose of constructing extensions which were contemplated last year and which are now being undertaken, and also for the purpose of completing the million dollar building which is already under construction in this city. The amount will be in cash. This bill has already been threshed out before the private bills committee.

Section agreed to.

Bill reported, read the third time and passed.

PATENT OF ENOS HENRY BRIGGS

The House in committee on Bill No. 72, respecting a certain patent of Enos Henry Briggs—Mr. McDiarmid—Mr. Johnston in the chair.

On section 1—Commissioner may restore patent or dismiss application.

Mr. STEVENS: I want to do this year what I have done on previous occasions, namely, to draw attention to the increasing habit of persons coming back to parliament in order to revive patents that have expired. I do not know how carefully this bill was scrutinized, but I think all bills of this character should be very carefully scrutinized and a full explanation given to parliament. There is a great danger of some individual, without any real interest in the matter, securing control of a patent that has expired, coming to parliament, getting it renewed by parliament, and possibly doing a great injury to the public generally. I would like someone, who can speak with authority, I do not know whom—possibly the Minister of Trade and Commerce under whose department this comes —to give the assurance of the government that departmental officials have carefully investigated the reasons for this renewal. I have no knowledge of this individual case, but as a matter of principle I have always protested against the revival of these patents that have expired.

Mr. CANNON: Some bills concerning renewals of patents have been before the private bills committee. The atttiude taken not only by the government but by the members of the committee themselves has been, as my hon. friend has just pointed out, to scrutinize every bill with great care in order that no injustice may be suffered by any party. I notice that this bill has come back from the committee without amendment. Before the private bills committee officials of the Patents branch are always present to give all the information they require, and the committee also secure from the promoters any additional data or particulars which might be useful to them in reaching a decision. The remarks of my hon. friend are perfectly justified. Parliament cannot be too careful in examining these bills before passing them.

Section agreed to.

Bill reported, read the third time and passed.

DETROIT AND WINDSOR SUBWAY COMPANY

The House in committee on Bill No. 68, to incorporate the Detroit and Windsor Subway Company—Mr. Odette—Mr. Johnston in the chair.

On section 1—Incorporation.

Mr. STEVENS: Has this bill received the approval of the Minister of Railways?

Mr. DUNNING: It has received the approval of the railway committee. As to the minister's approval, I do not think that matters so much in the case of a private bill.

Mr. STEVENS: Yes, it is very important indeed. For many years now the railway committee and parliament have carefully studied all private railway charters in view of the large investment that we have in the national railways, and it is usual to have some expression from the minister as to whether or not the proposed railway conflicts with the national system.

Mr. DUNNING: This is not a railway charter, but a charter for the digging of a tunnel under the Detroit river, so that the conditions are different.

Mr. STEVENS: But it is for railway service, is it not?

Mr. DUNNING: It may be partly for railway service, but in any event the department has carefully examined the bill and has made suggestions with regard to it to the railway committee, and as we proceed through the bill the importance of those suggestions will be seen. Their main intention was to make this particular project subject to the general provisions of the Railway Act. The department concerned itself with the public interest in the matter. There is no conflict here with the Canadian National Railway System in any shape or form.

Section agreed to.

Sections 2 to 6 inclusive agreed to.

On section 7—Capital stock.

Mr. ADSHEAD: Did I understand the minister to say that this comes under the railway commission and the Railway Act?

Mr. DUNNING: Yes, and as we proceed through the bill the sections relating to the relevant portions of the Railway Act will become apparent. In the section now before us provision is made for the deposit by the company of $50,000 in the Dominion treasury, which shall not be withdrawn until at least 25 per cent of the proposed tunnel is constructed, and the whole amount is to be forfeited unless the project is proceeded with.

Section agreed to.

Section 8 agreed to.

On section 9—Amalgamation with other companies.

Mr. HANSON: I notice that the last provision in the original section, "Provided that no such amalgamation shall be valid or acted on until it has been approved by the Board of Railway Commissioners for Canada," is not in the section as amended. It seems to me that in the public interest it should be retained. I mention that for the minister's consideration.

Mr. DUNNING: It is not necessary to use these words now, when we bring the company under the amalgamation provisions of the Railway Act. I may say that I am not the sponsor of the bill and am merely dealing with such matters as the minister might be expected to look after in the public interest.

Section agreed to.

The CHAIRMAN: Clause 10 has been struck out.

Mr. DUNNING: It is not necessary.

The CHAIRMAN: Clauses 11, 12, and 13 have been struck out and a clause inserted as clause 13.

Mr. STEVENS: That becomes clause 10, does it not?

Mr. DUNNING: It will have to be renumbered; the numbers can be corrected.

Section agreed to.

On section 14—Right of voting.

Mr. DUNNING: This section has been amended by changing the word "consolidated" in the first and second lines to the word "amalgamated" to bring it into conformity with the Railway Act.

Section agreed to.

On section 15—Powers, 1919, c. 68, R.S. 1906, c. 115—subways or tunnels.

Mr. EVANS: The powers of this company are almost unlimited. It can acquire any property which it wants and can secure any charter, license, authority, franchise, concession, and so on. I am surprised that a project of this size should pass the House without any comment or criticism. I criticised the bill in committee, and I still think we should be very careful in granting charters of this kind for public utilities which are used by the people themselves, and which should not be placed in private hands to be exploited by them. This company applies for a charter. We have no knowledge of the company and do not know whether they have money to go on with the work, or credit, or backing. I wish again to protest against the granting of charters for public utilities in this way, whether tunnels, bridges or railways. I think we are doing a wrong thing in giving away franchises in this manner, because the public may suffer. I am simply at present making my protest.

Mr. ODETTE: I explained this section while the bill was before the committee. It provides for the construction of a tunnel beneath the bed of the Detroit river from the city of Windsor to the city of Detroit. If the proposal to build a bridge across the river is all right, why should the promoters not be given a charter to build a tunnel? The people of the border city are not interested in the question whether it is a tunnel or a bridge. They are interested in rapid transportation across the Detroit river, either over or under it.

Mr. WOODSWORTH: Are the people in that district in favour of it?

Mr. ODETTE: We are so optimistic in that part of Canada that we believe the people are unanimously in favour of it. In any event it is an impossibility to interest the government of the United States in either a bridge or a tunnel. The people of the cities on the border believe this tunnel would not be of any advantage to Detroit, but would be an advantage to Windsor, Walkerville and other towns in that district. They care not whether it is a bridge or a tunnel, as long as it gives them rapid transit to Detroit.

Mr. WOODSWORTH: I think those of us who are not privileged to be on the Railway committee are entitled to some further explanation than that which has just been given us with respect to the principle involved in this case. With regard to roads and bridges generally, it has come to be understood that these are matters for municipal, provincial, in some cases interprovincial or interstate acts. Here we have a tunnel, a public service of a little different character from a number that have come before us. We have already in contemplation in this bill the necessity for entering into arrangements with the municipalities concerned. As the hon. member for Rosetown has stated, very wide powers are being granted, and, so far as I have been able to see, there are no corresponding safeguards. This House ought to have further information than has yet been given it with regard to the whole proposal. In the past we have had these private enterprises, even with regard to roads. Formerly we had toll gates. Now we have done away with the toll gates and the exploitation that went with them, and we are coming to the point where the public build and control these roads.

Here is another class of utility upon which we have not yet had a definite pronouncement by the House or the country. We should go slowly before granting a charter of this character.

Mr. DUNNING: I think my hon. friend is entitled to an explanation of the view of the Department of Railways in connection with these matters, in so far as the safeguarding of the public interest is concerned. With regard to construction, as I pointed out before, in order to guarantee the bona fides of those who are undertaking this enterprise a deposit of $50,000 is required to be made in the Dominion treasury, which cannot be withdrawn until 25 per cent of the work is done. That is provided for in one of the sections which has already been passed.

Mr. WOODSWORTH: What would be the capital expenditure?

Mr. ODETTE: It will be $16,000,000.

Mr. WOODSWORTH: Is that deposit regarded as sufficient safeguard?

Mr. DUNNING: When the promoters put up $16,000,000 of their own money all we want is a guarantee that they are bona fide tunnel builders and not charter mongers; $50,000 we consider sufficient for that purpose. As we proceed with the bill it will be noticed by hon. members that the railway committee on the suggestion of the Department of Railways and Canals, given through myself, did bring this project under the general terms of the Railway Act in so far as they could be made applicable thereto. That means supervision by the Board of Railway Commissioners. It also means that in the public interest, as is set out in a later section, the tolls to be charged will be subject to the control of the railway commission in exactly the same manner as railway rates are now. That, I think, is as far as the Department of Railways and Canals could go in suggesting public safeguards around a project of this kind which, as my hon. friend states, is rather out of the usual run, being a tunnel not only between a province and a state, but between two countries. Apparently it is not possible to get such a project as this undertaken otherwise than by private capital. If that is acknowledged, then the duty of this parliament and of the Department of Railways and Canals is to see to it that the public interest is safeguarded in every possible way, and I think the railway committee in the amendments suggested bringing the whole project under the purview of the railway commission has gone as far as it is possible to go at the present time.

Section agreed to.

Sections 16 and 18 agreed to.

On section 19—Approval by United States.

Mr. ADSHEAD: Has the United States granted the requisite charter?

The CHAIRMAN: Section 19 has been struck out and the following substituted therefor:

The company shall not commence actual construction of the said subway or tunnel until permitted by the congress of the United States of America or other competent authorities of the said United States of America, but the company may in the meantime acquire land, submit plans to the governor in council, and do all other things authorized by this act.

Section agreed to.

On section 20—Consent of municipalities.

Mr. GEARY: I should think the proper phraseology would be, "along or under" any highway.

[Mr. Woodsworth.]

Mr. ODETTE: I think that would be quite in order.

An hon. MEMBER: Should it not read, "along, under or over"?

Mr. GEARY: That will be right. You will have approaches and ramps somewhere without doubt.

Mr. DUNNING: It would be a queer subway that went over a highway.

Mr. GEARY: No. It may be a tunnel in one place and then come out to the surface and cross municipal highways. We have more than one of those in Ontario.

Mr. ODETTE: Then I move:

That section 20 be amended by inserting after the word "along" in the second line the words "under or over".

Amendment agreed to.

Section as amended agreed to.

Sections 21 and 22 agreed to.

On section 23—Equal rights of passage to other companies.

Mr. WOODSWORTH: Will the Minister of Railways say if this is a standard requirement?

Mr. DUNNING: A similar reservation is very frequently made in connection with a structure which is regarded from the point of view of its common use by a number of utilities. It is merely compelling those who are building the tunnel to allow a joint user by those interested in other means of transit.

Mr. WOODSWORTH: That again is going a very long way.

Mr. DUNNING: My hon. friend apparently does not quite get the point involved. Surely it is reasonable when a tunnel franchise is being given to say to those who are getting it that they shall accord equal rights to all transit companies, rail or otherwise, connecting with it. I thought my hon. friend would be supporting this view for equal rights.

Section agreed to.

Sections 24 and 25 agreed to.

Bill reported, read the third time and passed.

MONTREAL, OTTAWA AND GEORGIAN BAY CANAL COMPANY

The House resumed from Tuesday, March 1, consideration of the motion of Mr. Chevrier for the second reading of Bill No. 78, respecting the Montreal, Ottawa and Georgian Bay Canal Company.

Sir GEORGE PERLEY (Argenteuil): At nine o'clock on Tuesday evening I had practically concluded my remarks on this bill, but I shall take this opportunity again to make plain my position as I am anxious not to be misunderstood in the matter. It is not my intention to prevent the bill from being referred to and considered by the committee on railways. Unfortunately, under the rules of the House, I have been obliged to extend my remarks over three different evenings; but it will be found that altogether I have spoken for less than an hour. It cannot be said therefore that I have in any way endeavoured to talk the bill out.

Some hon. MEMBERS: Oh, oh.

Sir GEORGE PERLEY: Some hon. gentlemen over the way laugh at this but they speak sometimes for two hours. I do not inflict my remarks on this House very frequently and, I repeat, I have no desire whatever to try and talk this bill out. I thought it best to discuss the bill on the second reading inasmuch as it is one of great interest to the public of Ontario and Quebec although it appears nominally on the list of private bills.

As I pointed out before, I want to have hon. members as fully informed as possible of the facts regarding this bill before it goes to the committee, where I hope it will be very thoroughly considered. I am not opposed to the building of the Georgian Bay canal. Indeed, I would favour the project if it were carried out on its own merits. I do not think, however, that it should be financed from the profits of power development at the expense of the power users of Quebec and Ontario, nor do I think that the immense power possibilities of the Ottawa river should be tied up in any way to a private company.

We may as well face the facts of this situation. The Dominion and each of the provinces of Quebec and Ontario have certain rights regarding the Ottawa river. My impression is that no one knows exactly what their respective rights are, but I do not intend to discuss that phase of the matter. As they each have rights, however, the only sensible thing for them to do would be to meet around a table with a view to finding some reasonable and satisfactory way of dealing with the problem. That is what individuals would do under similar conditions. Even if the Georgian Bay canal charter were renewed, that company could do nothing in the way of distributing power in either Quebec or Ontario until they made arrangements with the provinces. All this being so, I urge that the Dominion government take over the enterprise under the powers given them by section 5 of chapter 128 of the statutes of 1906, which I read into Hansard last Tuesday evening. Such action would not hurt the shareholders of the present company as they would be recompensed for their expenditure, while it would place the whole problem in such a position that it could be dealt with on a common sense basis by the Dominion and the two provinces, in the best interests of all concerned.

In conclusion, Mr. Speaker, I wish to say that after all, whether we are members of provincial legislatures or of this House we represent the people of Canada and should do our best to see that these great properties are used entirely in the public interest. By retaining possession of and developing these water-powers the three governments, the Dominion government and those of the provinces of Quebec and Ontario, will not only be receiving a large annual revenue but will be ensuring for all time a supply of electricity for light, heat and power at a reasonable rate for the people of these provinces.

Mr. GLEN: Before the hon. gentleman resumes his seat I would like to ask him, just for information, how it is proposed to separate the development of the water-power and the construction and operation of the canal, having in view the paramount need of navigable waters?

Sir GEORGE PERLEY: I do not think there is any great difficulty about that. If the representatives of these three governments will meet together at a common table they will find a way to solve that difficulty.

Mr. MANION: I was waiting for the hon. member for Nipissing (Mr. Lapierre) to speak; I will give him the floor if he wishes, because I know he is very much interested in this question.

Mr. LAPIERRE: Go ahead.

Mr. MANION: I was going to say that the hon. member for Argenteuil (Sir George Perley) rather apologized for having kept this question open, and he also took his seat a moment ago when but six more minutes of speaking on his part would have kept the question open until Monday. He did that, I know, in that spirit of fair play which is absolutely characteristic of him, but at the same time I believe he would have been treating the House better if he had carried on until nine o'clock. That is what I intend to do, and the reason I am going to carry on until nine o'clock is this.

Mr. CANNON: You are very frank about it, anyway.

Mr. MANION: I always believe in being frank. I am not killing time, because I have some facts to present, but the reason I am going to carry on until nine o'clock is because this is too important a question to decide in fifteen or twenty minutes, as might have been the case this evening.

I was not in the House either of the other evenings when this question came up. I come from a part of the country, like my good friend from Nipissing, which is vitally interested in the question of water routes, but while I have a great deal of sympathy for any attitude he may take I will likely disagree with him ultimately. I must look at it from my own standpoint, and I can look back well over twenty years during which the Georgian Bay canal question was being discussed in my section of the country, upon this very charter which we are discussing to-night. That charter was granted in 1894, thirty-three years ago; not before I was born, I will admit, but back in that direction. Though it was granted so long ago, I made it my business to look up the original charter, and I find that those originally named in it are almost all dead, but the charter is still alive, gasping for breath it is true, but still gasping.

Mr. LAPIERRE: Going strong.

Mr. MANION: Possibly. I am not going to argue too strongly against it to-night, but I am going to show, until nine o'clock, some of the reasons why I think the charter should have been allowed to expire with a lot of the original charter holders, and probably I will continue on Monday and give some others.

Mr. HANSON: Who were originally named?

Mr. MANION: There are too many to read, but most of them are dead. I have not had time to-night to look through the list, and there are no doubt a few of them still living, but I believe the greater majority have passed away. This charter was then carried on by Sir Robert Perks for many years; then he got tired of it and handed it over to other interests.

In all sincerity, Mr. Speaker, and not particularly speaking of this charter at all, when I heard the hon. member for Winnipeg North Centre (Mr. Woodsworth) objecting to a charter to-night, one with which I was not familiar at all, I found myself more or less in agreement with his remarks when he said that we are, or certainly in the past have been, too prone to grant charters for all kinds of projects. I made it my business to glance through the volume of 1894, and I found many charters are not alive now, charters which had been renewed many times but which were finally allowed to expire quietly. I should say that more than half and probably two-thirds of this list of 1894 were charters which never served any useful purpose at all, and many of them were grabbed off for the purpose of holding up some legitimate progress. They were secured in order that those who got them might take some group of men by the neck and say, "You cannot do this because we secured the charter first, and you must pay us before you can go on."

Mr. LAPIERRE: They were granted under Conservative governments.

Mr. MANION: That was true in 1894, but I can tell my friend that this has been going on since 1896 as well, and even all through the ten years that I have been here. I can frankly say that no matter whether it was a Liberal government, a Unionist government, or a Conservative government, much the same process has been carried out; and I have come to the conclusion that unless there is really some good reason for charters to be granted it is time to call a halt to a great many of these applications.

Mr. McPHERSON: May I ask the hon. gentleman a question? If such is the case, why not allow it to go to committee before further discussion, to see whether those asking for the renewal can give some good reason for their request?

Mr. MANION: I am not trying to block it from going to committee, but now is the time to discuss the principle of the whole business.

Mr. McPHERSON: The principle of the bill or the principle of granting charters?

Mr. MANION: The principle of granting this charter; that is the principle we are discussing to-night and that is what I am speaking of. Until we decide that the principle of granting this charter is good, it is our duty to discuss it and come to some decision in this House.

Before my good friend, the Hon. the Speaker, tells me it is nine o'clock, may I point out that the premier of Ontario has come out flatly against this renewal. Prophecies are very dangerous things for politicians to make, especially before elections, I know, but I am going to make a prophecy

now. I believe that the premier of Quebec will in all probability also take a stand against this renewal, and because I think that a likely thing to happen, I feel it should go over till Monday.

Mr. LAPOINTE: How can you tell?

Mr. MANION: I am only guessing. But now I will ask you, Mr. Speaker, to call it nine o'clock and let us proceed on Monday, although if you do not wish to call it nine o'clock just now, I am ready to go on.

SOLDIER SETTLEMENT ACT, 1919, AMENDMENT

The House resumed consideration in committee of Bill No. 61, to amend the Soldier Settlement Act, 1919—Hon. Mr. Forke—Mr. Johnston in the chair.

On section 1—Revaluation of land sold to settlers.

Mr. FORKE: When the committee rose, Mr. Chairman, we were discussing the matter of appeal, and I would like to say a few words in regard to that aspect of the bill. Part of this section reads as follows:

—and if any applicant is dissatisfied with the decision of the board he may, within such time as is prescribed by regulations made by the Governor in Council, appeal to the Exchequer court of Canada and the decision of that court shall be final.

There seems to be a good deal of objection to an appeal to the Exchequer court. Some seem to think that this would be expensive; that it would entail quite a long delay, and in fact that it would be altogether too cumbersome a procedure for the soldier settler. It may, however, not be so cumbersome or difficult as it appears on the surface. Section 42 of the Exchequer Court Act, chapter 140 of the Statutes of Canada reads:

The court may, for the purpose of taking account or making enquiries, or for the determination of any question or issue of fact, refer any cause, claim, matter or petition to the Registrar or any other officer of the court, or to any official or special referee for inquiry and report, and may also, if it thinks it expedient so to do, call in the aid of one or more assessors specially qualified, and try and hear such cause, matter or petition, wholly or partially, with the assistance of such assessor or assessors.

In a case of appeal I suppose the procedure would be this: An appeal would be made to the Exchequer court, which would nominate some individual, probably the county court judge in the district from which the appeal was made. He would make an investigation and report to the Exchequer court which would then render a final decision. I am not sufficiently acquainted with all the procedure, but I know of certain cases where individual matters have been referred to the Exchequer court and where they have been settled quickly and decisively, without delay. What may take place as regards many appeals I am not in a position to say. Some of the lawyers in the House will be better acquainted with that phase of the matter than I am.

I do not believe there are going to be as many appeals as some members seem to think. I believe there are more satisfied soldier settlers than we commonly imagine. I have been in the department only for three or four months, and I have signed quite a number of transfers of land where the people buying soldier settler lands have been paying higher prices than the soldier settlers originally paid for them when they purchased them from the Soldier Settlement Board. That shows that a number of these lots, if they were put in the market now, would be worth more money than the soldier settlers paid for them originally.

Mr. MILLAR: Does that take into account any improvements such as the soldier settler makes on the land?

Mr. FORKE: I am not in a position to say. Generally when cases come before me, the price at which the land was originally sold to the settler and the price offered for it at the present time are stated; I am advised by the Soldier Settlement Board that this is a fair value for the land, and the transfer is usually made. I do not want the impression to go abroad that this is taking place in many cases because it is only in a few cases that it occurs. I cite this only to show that land was not sold at too high a price to commence with. I am pretty well acquainted with the position in which soldier settlers find themselves having lived all these years in western Canada, and I am just as anxious as any other hon. member to help them. I know many of them find themselves in impossible positions, and something must be done if they are to be put on their feet and enabled to carry on successfully.

Many seem to think the money the Dominion government has spent in connection with soldier land settlement has all been lost. That is not the case. They have cultivated a great deal of land; they have produced a great deal of wealth, and many other things can be put to the credit of the work of the soldier settlers. I have mentioned just how I think an appeal to the Exchequer court

will work out, but I will welcome any suggestions along this line in order that the legislation may be improved.

I have a suggestion to make, showing how an appeal can be made in another way. I will read the clause and then the committee can draw their own conclusions. The clause I would suggest, dealing with the value of the land, reads:

Upon the receipt of an application made in accordance with the terms of this section the board shall ascertain and determine the depreciation in value as set forth in paragraph (c) of this section; and if any applicant is dissatisfied with the decision of the board he may, within such time as is prescribed by regulations made by the Governor in Council, appeal said decision by notice in writing to the board who shall thereupon refer the appeal for final decision to district or county court judge of the judicial district or county in which the land is situate or in the province of Quebec to the judge of the Superior court having jurisdiction in the district in which the land is situate, and such judge shall fix a convenient time and place for hearing and determining such appeal.

Mr. CLARK: Is that a proposed amendment?

Mr. FORKE: I am putting it before the committee as a suggestion to think over, not as an amendment. I may say that in introducing this bill I am not wedded to any particular section. If the committee can suggest improvements I am quite willing to listen and to take the decision of the committee on the matter. It is simply an appeal to the county court judge.

Mr. NEILL: Alone?

Mr. FORKE: Alone, of course with a hearing given to the board and to the soldier settler himself or his representative.

Mr. ADSHEAD: What will that cost the soldier settler, or will there be any cost to him?

Mr. FORKE: The bill will cover that. By regulation of the Governor in Council it could be made so that it will not cost the soldier anything, or otherwise.

Mr. ADSHEAD: What regulation has the minister in mind?

Mr. FORKE: It says:

Expenditures necessarily incurred by or in connection with the administration of this act as may be provided by regulation, shall be paid out of monies appropriated from time to time by parliament to soldier land settlement.

Mr. ADSHEAD: Does that apply to the expenses of the soldiers or the expenses of the department?

[Mr. Forke.]

Mr. FORKE: I think it is intended to cover both.

Mr. GARDINER: The amendment which the minister has just read, it seems to me, would be much more preferable, so far as Alberta at least is concerned, than the section as it now stands. During the last few years, because of the conditions prevailing, largely due to deflation, our district court judges had a good deal of experience in the matter of land values. There have been many applications before the district courts for mortgage foreclosures, and by reason of that fact the district court judges know land values fairly well in their own particular district. I am satisfied that the returned men, in view of the fact that the court is right in their midst, would be better satisfied with judgments from that court than from anyone appointed by the Exchequer court for that purpose. If the minister could see his way clear to move that amendment, I think it would be in the best interests of all concerned. We should try and set up machinery that will be satisfactory to the returned men in order that we may get this situation eventually cleaned up.

The hon. member for New Westminster this afternoon brought before the committee resolutions passed by a certain organization asking for a flat reduction of twenty-five per cent, or something of that nature, on all outstanding accounts of the soldier settlers. I know something about this situation so far as Alberta is concerned, and I would emphasize very strongly that a flat rate reduction would not be acceptable in our province because of the injustices that would be created, and that would have to be met later on. In my own district, for instance, no doubt some soldier settlers bought at the right price and are to-day well satisfied with their bargain. Why should we give them a flat reduction of twenty-five per cent? They have received good value for the money they have expended on these properties. On the other hand, there are many properties that would not be satisfactory to the returned men even if you give this flat reduction of twenty-five per cent. In fact it would only keep the settler there a short time, and eventually he would leave the farm because the twenty-five per cent flat reduction would not be sufficint to meet his particular case. Under these circumstances I hope the minister will not consider any proposal for a flat rate reduction on all these properties. Let us have a proper valuation as set out in this legislation, together with the amendment put before the committee a few minutes ago by the minister, and then I think we shall settle this question in a very short time to the satisfaction both of the returned men and the people of Canada.

Mr. EDWARDS (Frontenac): I came down this evening, Mr. Chairman, with the intention of making a suggestion in regard to this particular section and asking the minister to endorse it. I felt disposed, if the government wanted the Exchequer court of Canada to pass final judgment on any appeal, to suggest to them the advisability of the appeal being made to the county judge, who would hear the evidence and make his report to the Exchequer court, whose decision would be final. It was in my mind to make that suggestion to the minister, and I am therefore very much pleased that he is himself proposing an amendment which will enable the soldier to make his appeal direct to the county judge. I am sure that that will be much more satisfactory; it will give the soldier an opportunity which I am sure he will take advantage of if he thinks he has any grounds for appealing. But if we left this clause as it is, many soldiers who felt they had grounds for appeal would not go to the trouble of making their appeal to the Exchequer court. To begin with, many of them in the country districts—this might not appeal to the lawyers here as a very reasonable thing to say—would be terrified by the very words "Exchequer court." That would not frighten a lawyer, of course, but it would many country people who are not versed in the law. On the other hand, they know the county judge, and am I not right in saying that as a rule throughout the country the county judges are pretty well acquainted with the land values in the various parts of the county over which they preside, and in that way are better qualified, it seems to me, to pass judgment on appeals of this kind than some gentlemen, no matter what their ability may be, sitting here in Ottawa? For that reason I strongly endorse the suggested amendment, and I hope the clause will be changed along that line, so that by a proper arrangement of the wording it will mean that where the soldier feels he is not getting justice he can appeal to the county judge.

Mr. MacLAREN: I think the sending of the appeals to the Exchequer court would mean considerable delay. I do not think it is possible for it to deal with appeals, if they are numerous, in an expeditious way. It is much easier to submit the appeals to the county court judges. That will be much more expeditious and much more satisfactory to all concerned. I therefore take this opportunity of expressing a preference for the change that the minister is suggesting along this line. He has asked for an expression of opinion on this matter, and the opinion I would suggest would be that his amendment would improve the act.

Mr. CARMICHAEL: The suggested amendment of the minister is quite an improvement to the machinery that is proposed to be set up. But the minister stated that he did not imagine that many appeals would be made. I am rather of the opinion that there will be a great many appeals made by soldiers if the first revaluation is to be made as proposed in this bill. It seems to me, Mr. Chairman, that there could be an improvement made in the first step to be taken, and that improvement should be very much along the lines of the suggested amendment, which would also be along the line of the shape the bill was in when it left this chamber last year; that is, instead of the revaluating being done as between the soldier on the one hand and the settlement board on the other, it should be done by a party of three—the soldier, or his representative; the settlement board, or its representative, and the county court judge. The revaluation in the first place should be done in that way. If it is left to the discretion of the settlement board and the soldier to arrive at a valuation of these lands, scores, yes, hundreds of cases will never be satisfactorily settled. The reason I say that is because in many cases there is what you might call bad blood between the individual soldier settler and the board. I do not know whose fault it is. The board is evidently trying to do its best, and the settler thinks he is trying to do his best. But he is out on the land, a number of miles from town. He is thinking over his affairs and brooding over what he regards as an injustice, and when a soldier in that frame of mind is brought in contact with the board there is not apt to be a satisfactory settlement. We are proposing to amend the act in any case. We do not feel that it is wrong to amend the act, or that we must take it as it was turned out of the Senate last year. We seem perfectly justified in amending it, and since we have accepted the proposed change in regard to appeals, why not carry it further and make that proposed change in the first step by saying that the county court judge, a representative of the soldier, and a representative of the board, shall consider the valuation made in the first place, and that their decision shall be binding? We will then do away with the necessity for the two steps, and I am quite sure that it will be much more satisfactory to the soldier settler. Not only are there going to be cases where the soldier will not receive a fair measure of justice from the board, but there may possibly be cases where, I might say, the board will be over-lenient with the settler. After all the board has to be represented by some individual. That

individual may be a gentleman who was doing business in that particular community, and may give a special favour to the soldier. Such being the case he might do what you might call over-justice in the case of a particular soldier; he might deal too favourably with him. There are those two thoughts: some soldiers will not get justice in one way and some will not get justice in another. I suggest to the minister that if he proposes to amend the bill it would be preferable to amend it in the first step.

Mr. THORSON: I wish to throw out one or two suggestions for the consideration of the committee. I am delighted to see that there is a desire on both sides of the House to make this bill as beneficial to the soldiers as possible. There are two principles we should keep firmly fixed in mind. First, if there is to be a right of appeal given to the solider settler, then that appeal should be as accessible as possible to him, and the procedure set up for appeal should be made as simple as possible. The second principle that I think we should keep in mind is that the revaluation which is proposed in this bill should not entail on the soldier settler a single cent in the way of cost to himself. We are fairly generally agreed that the provisions contained in this present bill providing for an appeal to the Exchequer court of Canada will not be looked upon favourably by the soldier settlers of this country. I hope that, when an application is made by the soldier settler to the Soldier Settlement Board, the board will appreciate the spirit of this act and be generous in any attitude they adopt towards the settler. I hope that a policy of that sort will be impressed upon the various supervisors in soldier settlement districts throughout Canada. If such a policy is adopted by the various boards, the number of appeals will not be as large as we are sometimes led to believe they will be. But there will undoubtedly be appeals, and the simplest and least expensive form of appeal should be established by this act.

Various suggestions in this behalf have been made by soldier organizations and by speakers on both sides of the House. It has been suggested that instead of providing for an appeal to the Exchequer court of Canada, we should provide for an appeal to the county or district court judge of the county or district in which the land is situate, or, in the province of Quebec, where there are no county or district court judges, that the corresponding judge should be charged with the duties of hearing appeals. With regard to that suggestion, I know something of the work of the county court judges in the province of Manitoba, and I can say that at present their energies are very severely taxed. I do not know what the situation is in other provinces but I do know it to be a fact in the case of the county court judges of Manitoba that they are overworked and if this additional burden is placed upon them I think it only fair that they should be remunerated for it.

There is another objection to entrusting appeals to the county court or district court judges. The judge in question will hear the case and will dispose of it according to the ordinary rules of law, will observe the ordinary rules of evidence, and the soldier settler, in order to get his case fairly before that court, will be called upon to employ counsel. There is that objection, I think, to the suggestion that the appeal should lie to county or district court judges. If that scheme of appeal is adopted I think it should be provided that any legal costs incurred by the soldier settler in placing his case before the appellate court constituted by this act should be met by the Dominion of Canada, thereby observing the second principle which I enunciated at the beginning, that the revaluation should not cost the settler one cent.

Mr. ADSHEAD: Did my hon. friend not hear the Minister of Immigration say that in clause (f) expenditures necessarily incurred should apply to the soldier's expense as well as that of the department?

Mr. THORSON: If that has not been clearly stated it should be definitely set out and provided for in the act—that there should be no cost whatever to the soldier settler in getting a fair revaluation of his land.

A further suggestion has been made that an arbitration board should be set up to hear appeals, this board to consist of three persons, one to be the county or district court judge, or the corresponding judge in the province of Quebec, and the other two to be representatives of the Soldier Settlement Board and the soldier settler respectively. That, I think, is preferable to constituting a judge as the sole person to dispose of the appeal. But that suggestion is also open to the objection which I mentioned when speaking of the county and district court judges. If it is true that these judges are overloaded with work, as I believe them to be in Manitoba, then if they have to hear a large number of appeals it will take too long to get the revaluations completed.

Still another suggestion has been made, namely, that an arbitration board should be set up consisting of a representative of the Soldier Settlement Board in the district involved and a representative of the soldier settler himself, and that these two should

agree upon the third member. In a number of cases they would probably so agree, and that would take a good deal of work off the shoulders of the judges and, in my opinion, would expedite the work of revaluation. Where no agreement could be reached between the two representatives, I would suggest that either the county court judge himself should be the third member of the board or should appoint such third member.

I offer these suggestions to the committee for its consideration, and I should like again to emphasize that whatever procedure by way of appeal is adopted, the two principles that I enunciated at the outset should be kept in mind—the process of revaluation should be made as simple as possible, and no cost whatsoever should fall on the soldier settler.

Mr. DICKIE: Mr. Chairman, since I first attempted to catch your eye pretty nearly all has been said that I intended to say on this subject. I never before realized I was as small as I feel when I get on my feet to speak to the House. I perhaps have some right to speak on this question, and it would be expected that I should do so because in my district there are I believe more returned soldiers in proportion to the total population than in any other part of the Dominion. Those returned men, as the member for Frontenac said, would be appalled at the cost of appealing to the Exchequer court. I know personally that the amendment suggested by the hon. Minister of Immigration will meet the case ideally, with this exception: I think the dictum of the county judge should be final. Our county court judges, as the member for Frontenac has said, are very familiar with land values. This is particularly the case in my riding. If they are not so familiar, they know people who are, and I am sure they would arrive at a correct decision as to value.

With respect to the twenty-five per cent deduction, of course anything that comes from the Canadian Legion must be considered to have great weight. But speaking for the people I represent, I say it is absolute folly to talk of any such thing. I know very many men who have tried to make a living on property that is not worth twenty-five per cent of what they paid for it. Those poor fellows came from the battle-scarred, shell-torn fields of Europe, glad of any place that offered quietude, and they said: We will take this land and raise poultry or get along some way or other. The land at that time was too highly valued anyway throughout the district with which I am familiar. I know many men who have struggled hard to meet their payments, depriving themselves not only of the pleasures but the necessities of life to do so. I say to the government with respect to the people whom I represent: No matter what you write off those poor fellows will not be able to pay the balance; so write it all off as a loss; do not say anything about the cost, for you will never get the money anyway. Let us see that those splendid fellows who did so much for this country are dealt with fairly.

Mr. EVANS: Mr. Chairman, in my constituency during the past year I have come in contact with a number of soldier settlers and I think the member for Comox-Alberni (Mr. Neill) has treated the question from a common sense viewpoint. I have a letter in my hand from one of my constituents, a soldier settler, which is very illuminating. After saying a good word for the officials of the Soldier Settlement Board, "by whom", he says, "we have invariably been shown consideration and sympathy in our problems," he gives a very interesting statement of his own affairs. He has a quarter section of land, of which one hundred acres is under cultivation, twenty is to be broken, and the balance of forty acres is rough land. This quarter section cost him $4,200, without a dwelling house or fencing of any kind. He has expended on permanent improvements $700, on stock and equipment $1,400, and on seed and feed another $250, or a total, including the price of the land, of $6,550. But he says:

When consolidation took place my indebtedness was $7,751.49.

I do not think that a flat decrease of 25 per cent would be of much use to this man. Knowing the circumstances as I do, I would say that the price of this quarter section was 50 per cent too high in the first place. He continues:

My payments due in years 1922 to 1926 inclusive	$310 04
Commencing this October they will be	497 61

I know very well he cannot make a living on that land, paying nearly $500 per annum. He points out that this will be recognized to be impossible. His total payments to date are about $850, an average of about $125 per year. He says:

Circumstances leading to above condition are deflation,—wheat in 1922 at $2.40 came down to 75 cents a bushel in 1923,—

Then there was a series of dry years. The years 1918, 1919 and 1920 were undoubtedly dry seasons. He goes on:

With an equitable adjustment I think circumstances will certainly be better. Since the advent of the pool we are practically assured of $1 per bushel for wheat. If I had received

this amount in 1923, when I threshed 1,500 bushels, my financial statement would have been a great deal better. The figures I gave you respecting my payments in future will be a little lower as I have had a reduction of $240 on my stock, but it will not be more than $25 per year difference; otherwise you will find my figures are correct. If anything, I have understated a little my indebtedness.

He then goes on to offer a suggestion:

I have put all my capital into this farm, as I financed myself for a long time on my own money. When I started I had cash and assets, $500, and six months' gratuity to draw from. I sold my house in Perdue in the fall of 1920 and at present have nothing to fall back on. I owe no store bills but have hospital and doctor's bills for $150, taxes $250 and sundry creditors $250. Would it be possible to make some allowance for above condition? Amortization should be for a period of thirty-three or thirty-five years. The former is the term applied in Australia; the latter period, I believe, the Canadian Pacific Railway allows. Why not cut out interest altogether except on arrears? I know that the government has to pay interest on Victory bonds. But if it had not been for the soldiers there would have been no victory. We all sympathize with Britain and other European nations who are paying the United States for the privilege of fighting for them. But is this country any different? I am making this point of view to you personally; it is worthy of your consideration.

That, I think, is all that is to the point. Here is a case in which I should say fifty per cent at least would be needed to keep the returned man on the land. And there are other cases, with which I am acquainted, that are just as bad.

Regarding the assessment or revaluation of these lands, it seems to me that the amendment suggested by the minister offers the best way out. We must keep the valuation as nearly as possible within the ability of the settler to pay. Even with the most generous allowance in relation to the indebtedness of the settler, it will not be possible to keep all of them on the land. Had this assistance been given a year ago a good many of them would have availed themselves of it and would have been on the land to-day. I trust that the bill will go through without delay and that before the soldiers are ready to begin their spring work they will know exactly where they stand. Many of them are sticking to the land now, suffering a good many privations in the hope of having this bill go through. I sincerely hope that the provisions of this legislation will be sympathetically considered by the board, and that the soldier will be given every chance to stay on the land and make good.

[Mr. Evans.]

Mr. NEILL: I rise to support the views of the hon. member for Kindersley. It is generally agreed, certainly amongst the soldiers, and in this House as well, I think, that the appeal to the Exchequer court is not one that is to be desired. I do not think, either, that it would meet the wishes of the soldiers to have the appeal taken to the county court judge alone. While I would certainly approve of the county court judge as one of the board of arbitration, I do not think that it would be advisable to have him act alone. I have great respect for the county court judge in my own district and, indeed, I might call him my personal friend.

Mr. DICKIE: Could not the county court judge act as a referee in conjunction with a representative of the Soldier Settlement Board and a representative of the soldier himself?

Mr. NEILL: That is what I was going to recommend. But the amendment suggested by the minister makes the county court judge the sole arbiter; and that is what I am opposing. As I say, I have the greatest respect for the county court judge in my district, whom I consider a personal friend; but when it comes to having him deal exclusively with the determination of land values I certainly think his judgment would be better if he had the advice of a practical farmer. I recall a case years ago when before another county court judge I appealed the assessment, at I think $10,000, of certain land in which I was interested. I should have been satisfied if on appeal that assessment had been reduced by half, but when I took the matter to court, where I naturally made the best case I could, I was agreeably surprised to have the assessment cut down to $1,700. That gave me an idea of how the legal mind will sometimes view a matter of this kind which a practical farmer would handle quite differently.

Mr. GEARY: I understand that my hon. friend wants the board composed of the county court judge acting as referee, together with representatives of the soldiers and the Soldier Settlement Board respectively. Those two representatives would act virtually as counsel for the two opposing parties. It is well known that in arbitrations each party selects its own arbitrator and in some way the third man is selected, either by the courts or by agreement between the other two. And as a matter of practice such a board operates in this way: the representatives of the respective parties are in effect counsel arguing the matter and awaiting the decision of the third, the only impartial man on the tribunal. I wonder whether the hon. gentleman would take into consideration the fact that it is

multiplying officials and making a big thing of it to have a board of three instead of simply allowing the two representatives to argue the matter out and leave the decision to the referee.

Mr. NEILL: There is merit in my hon. friend's suggestion, and I admit that there is a tendency to arbitrate in the way he suggests. Still we do find arbitrations proceeding in the manner I have suggested. I think it would be well to have the board of three. If this were a matter of litigation I would allow the county court judge to decide. It is not litigation but arbitration, and there is quite a difference of spirit between the two. Arbitration means conciliation, and the settlement of a matter in a way satisfactory to both parties, which is very different from a mere legal fight as between two contending parties. Last year the House passed Bill No. 17 which contained the procedure indicated by the hon. member for South Toronto (Mr. Geary). In that bill the arbitration was to be carried on by a representative of the Soldier Settlement Board, a representative of the soldier and the county court judge, with the further provision that if any individual settler did not like the arbitrator selected by his group of settlers he could appoint an arbitrator of his own. We threshed that out fully, and it was unanimously decided by this House that that was best, and the personnel of the House has not materially changed since then. The present bill changes and the matter is referred to the Exchequer court, which no one seems to want, so why not go back to the action we took last year and which was ventilated throughout the country in the ensuing six months? I think the majority of soldier settlers represented by the hon. member for Nanaimo (Mr. Dickie) and myself are in favour of this provision, and I think it would be better to have the three-cornered board. I would suggest that the minister consider putting that amendment before us to test its popularity as against that of the amendment already suggested.

Mr. CLARK: Just dealing with the point raised by my hon. friend in his closing words, I was rather interested to look up the record of last year and I find that when the resolution was introduced in the House on March 25, 1926, the hon. member for West Calgary (Mr. Bennett) said:

> I suggest that the district or county court judge be the tribunal.

I knew that was my own opinion, and I find that on April 13, when the bill was before the House I stated:

> I strongly urge upon the minister that he leave this matter to a county court judge alone.

So we were not so unanimous as one might be led to believe by the remarks of the last speaker.

Mr. NEILL: Was a vote taken?

Mr. CLARK: I remember that the members on this side of the House were a unit in favour of this suggestion that it should be left to the county court judge, and I have read the remarks of two members from this side to indicate that fact.

Mr. NEILL: Did you not acquiesce finally?

Mr. CLARK: No, we did not acquiesce. The section as introduced to-day provides for an appeal to the Exchequer court, and frankly I must say that I cannot agree to that because an appeal to the Exchequer court is something which would not be readily understood by the soldier; it would be a very difficulty matter for him to undertake. Then the minister read a section which I understood to state that the Exchequer court could delegate its powers to a referee or other official. Even assuming that the Exchequer court could delegate its powers to the county court judge or to anyone else, it would still mean that the soldier would have to lodge his appeal first of all with the Exchequer court in Ottawa; so far as I know there are no rules laid down for that other than the Exchequer court rules, and in my opinion this would not be a satisfactory method.

The minister offers another suggestion to-night, which is contained in a proposed amendment under which the soldier may give notice in writing to the board, which shall thereupon refer the appeal for final decision to the district or county court judge. If I may I would like to draw the attention of the minister to a further fact, although I do not suppose there is really any use in doing so because the minister has not heard one word I have said. I am only making these suggestions because the minister invited us to do so, and said that the suggestions of hon. members might be of value. Therefore I took the trouble to secure the minister's copy of this amendment in order to fully understand it, because I am vitally interested in this question. I agree that the principle of referring the appeal to the county court judge is best, but I question the method outlined in this proposed amendment. In the first place, why should a notice in writing be given to the board, and why should the board be the body to submit this appeal to the county court judge? Why should not the soldier follow the same course taken by any other person, and prepare his own notice of appeal and submit it to the court? He should

not have to write a letter to the board and request the board to prepare and submit his notice of appeal. I would not want a person with whom I could not agree to do that for me, and it must be remembered that first of all there is an attempt made as between the board and the soldier to get down to a basis of agreement. This amendment requires the soldier to give notice to that board with which he cannot agree, and in turn that board prepares and submits his appeal. I offer a suggestion there; I think the soldier is the man to prepare his own appeal and submit it direct. He would then be represented before the county court judge, but as this now reads it is open to the interpretation that the board itself will submit the appeal, and I do not think that is right.

Mr. McPHERSON: I noticed that myself, but do you not think that would be overcome by an amendment to clause (i) of the regulations, making the regulations govern the method of appeal to the county court judge instead of the Exchequer court? It is just a matter of detail, which I think this suggestion will overcome.

Mr. CLARK: I was just coming to that. If you leave this act as it is now, I think my friend will be the first to appreciate that no regulation can over-ride the wording of the statute. This will be in the statute itself.

Mr. McPHERSON: You do not get my point. The soldier would simply give notice to the board, and the board would have to carry that notice of appeal to the judge according to the regulations which the governor in council may fix in order to protect the soldier.

Mr. CLARK: I am simply offering the suggestion; it would be a very simple matter to have the appeal given to the district or county court judge direct rather than to have it referred to the board for submission.

Then there is another point in this amendment, which provides that "if an applicant is dissatisfied with the decision of the board he may, within such time as prescribed by regulations made by the governor in council", and so on. I suggest that the time for appeal should be fixed in the statute. I think I am correct when I say that every act relating to the establishment of courts provides for the time within which litigation may be appealed. This would force the attention of the soldier himself to the time within which he may appeal; he may see the act but he will probably never see the regulations. The statutes are available to the public and can be secured anywhere, but regulations by the governor in council are not available and are the most difficult things in the world to secure. I suggest that the time limit of the appeal be inserted in the statute itself. These are all the suggestions I have to offer in connection with the proposed amendment.

Mr. WARD: Would the hon. member not entertain the suggestion of the hon. member for Kindersley and avoid all this difficulty? I see very clearly the difficulties that will arise in appeals, but cannot they be overcome by adopting the suggestion of the hon. member for Kindersley and making the county court judge a member of the board and his decision final?

Mr. CLARK: The county court judge's decision would be final.

Mr. WARD: Yes, but we shall avoid appeals entirely. An examination would be made by a representative of the soldier, a representative of the board and the county court judge sitting together. Their valuation would be final and there would be no appeal.

Mr. NEILL: That would be an appeal from private negotiation.

Mr. CLARK: Does my hon. friend mean there would be no negotiations between the Soldier Settlement Board and the man, but that in all cases there would be this reference to a board of three?

Mr. THORSON: That is how I understood it.

Mr. CLARK: I will take them in order. First of all I do not see how you can preclude the reasonableness of a proposal that a man should negotiate first with the board in order to see if they can arrive at a fair conclusion. That is fair and reasonable. In the second place, if they fail to come to an agreement there must be an appeal, it does not matter whether it is to a board of three or a jury of twelve or a county court judge.

Mr. RALSTON: Not necessarily an appeal.

Mr. CLARK: It need not be an appeal. It must be a submission of a question for the decision of somebody. The procedure would be the same whether it was before a court of one or a court of three or an arbitration board or a jury. That would not matter. The question is one that would have to be submitted for a decision. In my opinion the simplest and most satisfactory method of dealing with the matter would be to submit it to the county court judge, and I will give the committee my reasons for saying so. With

a board of three you will first of all have to get that board together. The result would be that the soldier would appoint somebody upon whom he knew he could rely to get for him the last possible cent of reduction. That man would be a partisan. If the board was like any ordinary arbitration board—I am not suggesting that the Soldier Settlement Board would be—you would have two partisan members.

An hon. MEMBER: Counsel.

Mr. CLARK: If counsel, then it would be far better to have the counsel appearing before the court and not sitting on the court. You never want counsel sitting on a court; that is one of the worst curses you can have in any judicial body. If you have a court of appeal of five and one of the members of that court becomes counsel for one of the litigants, you will not get justice, nor will you get justice if you have that feature in a board settling a question of this sort.

Mr. NEILL: Is that not a feature of all arbitration?

Mr. CLARK: Yes. I am arguing against arbitrations at the moment. In my opinion the result would be far better if the question were brought before someone who is trained in judging the merits of facts and law as well.

Mr. NEILL: But not of land.

Mr. CLARK: That does not matter. They are judging the merits of all questions; land, business, patents and every other conceivable thing. They are trained to adjudicate upon facts whether they relate to land or anything else.

Mr. ADSHEAD: Is not what the hon. member proposes exactly what occurs when appeals are made from valuations by city assessors?

Mr. CLARK: More or less. What we would have before a county court judge is perfectly clear. The soldier would have the soldiers' advocate representing him, a man trained to do his best to get justice for the soldiers. He would appear before the county court judge to argue his case. It is far better to have him there than on the court as one of the three judges. That counsel would be very sure that he would go before the judge with evidence of an expert nature as to the value of the land. After all, if the soldiers' counsel can bring before the judge evidence that the land has depreciated in value, he is pretty nearly sure to get a judgment, because, as I say, these men are trained to administer justice and to arrive at the fairest possible decision in a case.

As opposed to that we have three men. The soldier must find his man; the Soldier Settlement Board must find their man, and there is a judge as well. There is the additional expense of travelling and the difficulty of finding those men and keeping them together. If you have a court of three it is much harder to get them all together to adjudicate upon a case than if you have a court of only one. There is economy and convenience in the case of a judge sitting alone. I am convinced that from the soldier's point of view far more satisfactory results will be obtained from a county court judge sitting alone.

Mr. WARD: Does the hon. member mean that the county court judge sitting alone shall have the final decision?

Mr. CLARK: Why not? Yes, I mean that, because there must be some finality, and I have such confidence in the judiciary generally that I believe if you take a decent case before them, especially a matter such as this, with some expert evidence as to the depreciated value, you will get a fair decision. What other appeal could you have? You might if you like have an appeal in special cases on a point of law to a court of appeal; but it is dangerous to complicate the matter too much, and this will probably go a long way towards meeting the situation. Furthermore I do not think you would find that the Soldier Settlement Board would be exceedingly partisan and try to collect evidence to defeat a claim which is bona fide.

Mr. COOTE: Would there in some cases be a danger that the district court judge would set a higher value than even the Soldier Settlement Board had asked the settler to accept when they were trying to deal between the two parties?

Mr. CLARK: There is no question that that is always possible. Hon. members must take into consideration all these possibilities. Even at that the judge may arrive at the fair value of the land and that is what we want.

Mr. COOTE: He may, but there is that danger.

Mr. CLARK: He is going to base his judgment upon the evidence, and if the evidence justifies the higher valuation, we cannot direct it from here. The matter is one of evidence and a decision on the evidence.

Mr. COOTE: I asked the question simply in an endeavour to bring out the comparison between the different methods, having the three sit together as an arbitration board or having the two parties try to agree, and if they do not, having the matter sent to a judge who is the sole judge and final arbiter.

Mr. THORSON: I think that subsection (c) makes it clear that there will be no danger of any increase in the price.

Mr. CLARK: I regret exceedingly that although the Soldier Settlement Board apparently had a representative at the convention of the Canadian Legion recently held in Winnipeg, a very important convention presided over by one of the leading citizens of Canada, Sir Percy Lake, the minister has not only not taken their recommendations into consideration, but has never even heard of them. I would have thought that it was his business to find out—

Mr. FORKE: I think I ought to correct my hon. friend.

Mr. CLARK: I want to be perfectly clear on this point.

Mr. FORKE: Shortly after I got into harness in the department, Mr. Lapp and some other man did interview me on this matter, so I was mistaken this afternoon in saying that I had never heard of it.

Mr. CLARK: Then I am certainly forced to the conclusion that the minister did not give very serious consideration to the proposals made by the Canadian Legion; otherwise surely they would have made an impression on his mind. The recommendations of a convention such as this, representative of the returned men from all parts of Canada, and presided over by Sir Percy Lake, should carry some weight with the minister and with the government, and I should have thought this legislation would be drafted, if possible, with those recommendations in mind. I think it is a matter of great regret that they have not been considered.

There is another thing I observe about the bill, and that is it contains no provision for cases where the land—I will not say has depreciated—but is of no value whatever, and was of no value when it was first purchased by the settler. There are many cases, but not too many for us to take care of—in the aggregate the expense would not be great—where a man went to the Soldier Settlement Board in the various districts in Canada, and was settled on land which, no matter what value you place upon it to-day, would not earn a livelihood for the settler. There are many such cases, but not too many for us to take care of. This matter has been pressed in the House now since 1924. I have urged before, and I urge again now, that this matter be considered, and that bona fide soldier settlers who have purchased land that is of no value, and have put all their savings into it, be taken, just as we are taking the immigrant settlers under the empire settlement scheme, from this land that is worthless and put in a district and on land where they will be able to earn a decent livelihood. In the past I have instanced cases. I do not propose to do so to-night, because I know that the government is informed on this subject. I urge that they take this matter into serious consideration, and make provision in this bill for cases of that sort.

Mr. FORKE: I do not think the committee will accuse me of not giving them some choice in this matter. I have a third proposition to lay before the committee, on which I should like to have an expression of opinion from hon. members. It is very much along the line which has been mentioned already by some hon. members. The suggestion is to amend paragraph (e) by striking out all the words after the word "section" in line 16, and substitute therefor the following:

> and unless the board and the settler agree within one month thereafter on the amount of the depreciation in value, such amount shall be finally fixed and determined by an arbitration committee appointed by the minister and selected as follows: the chairman shall be the judge of the county or district court or in the province of Quebec the Superior court having jurisdiction in the judicial district in which the land is situate; one member nominated in writing by the settler, and one member nominated in writing by the board, and the members of the arbitration committee when appointed shall have all the powers and authority of a commissioner under the Inquiries Act.

That is to say, the county court judge will be chairman, and one member will be nominated by the soldier settler and one by the board.

Mr. CARMICHAEL: Has that member necessarily to be nominated by the settler or may it be the soldier himself?

Mr. FORKE: It should not be the settler.

Mr. MILLAR: I do not wish to prolong this discussion. I am deeply in sympathy with this measure, but there is a suggestion I would make. I would ask the minister if we cannot have the assurance that until this legislation becomes available the board will withhold their hand in regard to returned men who are now on the land and are having some difficulty in financing, and who other-

wise in the meantime might be forced to give up their land. I know that to ask that in the case of all returned soldiers would perhaps work a hardship on the board. I know of at least one returned soldier who has not very much chance of making good, but there are also many others who have spent several years on the land, have worked hard and put their money into it, and if they are forced off at this time before this measure becomes available, there will be some heart burnings among them. I would therefore ask if the minister cannot give us the assurance that the board will refrain from taking action against any returned man until he has had the opportunity of having his land revalued under this measure.

I could read letters such as have been read in the House by the hon. member for Rosetown and others. I could point to many cases where revaluation is very much needed and will afford great relief. I know that a great many returned soldiers are looking forward anxiously for this legislation to pass through the House.

In regard to the amendment which has been suggested by the minister it looks to me as if we were again multiplying the machinery unnecessarily. I rather like the suggestion of the hon. member for Kindersley, which was supported by the hon. member for Vancouver-Burrard, that the simplest and best way is to allow the returned man to negotiate with the board. If they can come to an agreement, that should be sufficient. I think that most cases could be settled in that way, but if they are unable to come to an agreement, and an appeal is taken to a district court judge with another member sitting with him, I suppose they would have to receive some remuneration. If that remuneration is not paid by the returned men—and I hope it will not be—it will mean the government is put to an expense which I do not think is necessary. The simplest way would be to refer the matter to a judge and let him settle any dispute that may arise between the returned soldier and the board. The hon. member for Winnipeg South Centre pointed out that the district court judges of that province were overburdened with work. I do not wish to cast any reflection on the district court judges, but I think in the matter of numbers the province is rather overburdened with district court judges.

An hon. MEMBER: No.

Mr. MILLAR: One hon. member thinks not, but I am quite satisfied that my statement is correct. I believe they do their work well, but there are more district court judges than are necessary, and I think they could carry out this task and still not be overburdened with work.

Mr. McPHEE: The last suggestion of the hon. minister is more in accord with what we agreed upon last year when this matter was under consideration. I agree with the sentiment expressed by hon. members that we should do everything possible to make it easy for the returned soldier settler to get his land revalued without any expense to him. Last year when this bill was under discussion we finally agreed that an arbitration board should be appointed consisting of three members, one selected by the soldier settler, another selected by the Soldier Settlement Board, and the third the district court judge of the district in which the lands were located. This arrangement met with the approval of every returned soldier settler in the district I have the honour to represent. I am opposed to the proposal that the Exchequer court should be the arbitrator. I am a lawyer myself, but I know the feeling of fear that the average layman has for such a body as the Exchequer court. Either the tribunal as agreed upon last year, or the district court judge as the sole arbitrator, would be acceptable as far as I am concerned. In our province the district court judges are continually dealing with cases in which the value of land comes in question. In the district from which I come we have the honour of having as our district court judge Brigadier General Ross, a man who is conversant with real estate values throughout the district, and whose judgment would be looked upon favourably by every returned soldier settler in the district. Whichever plan is adopted will be agreeable to me. However I think the agreement arrived at last year that the board should consist of three, one the nominee of the soldier settler, another the nominee of the Soldier Settlement Board, and the third the district court judge, would meet with universal approval so far as all sections of the country are concerned. I put myself on record as absolutely opposed to the Exchequer court having to deal with the arbitration in this matter.

Mr. JELLIFF: I do not wish to embarrass the minister by any extended discussion. I think he knows I like him too well for that. It was but a short time ago that he was my leader on this side of the house, and I entertain the hope that our loss will be the gain of the powers that be on the other side of the chamber.

Looking over the bill I must confess that I was very much astonished and disappointed. My notion was that the hon. minister would introduce the bill as it left this House and was approved by this House in the session preceding dissolution. The provisions creating machinery for revaluation of the soldier settlers land were thoroughly discussed for days and days during that session, and I think hon. members were entirely satisfied with the bill as it left this House. In view of the announcement in the speech from the throne I was anticipating that the bill would be introduced in the form in which it left this House. It seems to me that the important thing in this measure is not that a tribunal be set up for revaluing the lands, but that the tribunal shall be one with which the soldier settler will be absolutely satisfied; and I think he was satisfied with the machinery as set out in the bill as it left this House last session. We all want to do our duty to the returned men in fairly revaluing their lands, and the machinery set up in that bill I believe would have attained that end. I suggest that the hon. minister reintroduce those provisions exactly as they were in the bill as it left this House and went to the Senate. It provided for a commission of three, one to be the county or district court judge, another a member of the Soldier Settlement Board, and the third a member of the soldiers' association, if there were one in the district, and if there were no such association, that the soldier should be represented by someone chosen by himself. That is my recollection of the provisions of the bill as it left this chamber. What became of it afterwards I do not know, but when I looked over the bill we are now considering it appeared to me that those important features had been emasculated and something of an entirely different character had been introduced. This Exchequer court provision seems to be a very awkward one; I feel satisfied that it will never suit our returned men and that it should not be imposed upon them. The suggestion that the minister made in his last remarks is almost exactly in line with the provisions of the measure as it left this House and went to the Senate, and I think he cannot do better than reintroduce those features of the bill. I am going to plead with him to adopt my suggestion, and I know he likes me so well that he will probably do it.

There is another matter connected with this bill, and that is a confusion or an inaccuracy, as I look at it, in paragraph (c) of section 1. It will be recalled that a few days ago when we were discussing the resolution preliminary to the introduction of this bill a good deal of dissatisfaction was expressed with its wording, which is the same as in this subsection (c). I think the minister ought to clear up the ambiguity.

Mr. FORKE: What is the matter with it?

Mr. JELLIFF: I would amend the clause to read:

> The depreciation in value to be determined shall be the difference, not due to neglect or mismanagement on the part of the settler, between the present value of the land and the improvements sold to the settler and the price at which the settler agreed to purchase the said land and improvements from the board.

In its present form the clause does not mean anything at all. I offer this amendment, which is seconded by Mr. Coote.

Mr. DUNNING: Would not that wording mean a revision upward in some cases?

Mr. JELLIFF: I do not think so. If preferred, the word "diminution" can be retained. As the clause now stands, "diminution in the present value" means nothing to my mind.

Mr. MILLAR: Will the minister give some assurance that until this measure is available leniency will be extended to soldier settlers?

Mr. FORKE: I think as a rule that wherever there has been any prospect of their making good at all they have always been treated with a great deal of leniency. I feel perfectly satisfied that nothing will be done to endanger any man's chances while this bill is under consideration by parliament. I thank the hon. member for Lethbridge (Mr. Jelliff) for his very kind references to myself, but I do not thank him for reviving discussion on subsection (c). I have consulted several eminent literary authorities—

An hon. MEMBER: Literary?

Mr. FORKE: —and legal gentlemen, and they all advise me that the wording is good English and the meaning perfectly clear. I do not think there was ever any real difficulty about the interpretation of the clause, but one hon. member got a good deal of amusement out of it.

Mr. JELLIFF: Even the minister himself a few days ago characterized it as silly.

Mr. FORKE: I do not remember having used that expression. I think we all understand what the clause means. I had prepared an amendment, but, as I said before, I was advised by the very best authorities—

Mr. JELLIFF: Well, read the amendment

Mr. STEVENS: Who are the authorities?

Mr. FORKE: I do not think it is necessary for me to name them.

Mr. STEVENS: We should like to know who they are.

Mr. FORKE: The law officers of the crown.

Mr. GEARY: Is it diminution in the present value that you are trying to get at?

Mr. FORKE: The present value will be determined by those who arbitrate.

Mr. GEARY: Then you take the diminution in that present value?

Some hon. MEMBERS: Oh, oh.

Mr. FORKE: Do not let us get into a discussion of that again.

Mr. STEVENS: It will be rather difficult to persuade us all to agree with these eminent authorities unless they are named.

Mr. FORKE: When we go over the bill again, if the House so decides, I will submit an amendment that I think will make the meaning plain, but I really do not deem it necessary.

I beg, Mr. Chairman, to move the following amendment to subsection (e) which we have been discussing, because I feel satisfied that when we have come to some conclusion in regard to it most of our difficulties with respect to the bill will be disposed of. This is my amendment:

To amend section 68, subsection (e) as follows:

Strike out all the words after the word "section" in line 16, and substitute the following: "and unless the board and the settler agree within one month thereafter on the amount of the depreciation in value, such amount shall be finally fixed and determined by an arbitration committee appointed by the minister and selected as follows: the chairman shall be the judge of the county or district court, or in the province of Quebec the Superior court, having jurisdiction in the judicial district in which the land is situated, one member nominated in writing by the settler, and one member nominated in writing by the board; and the members of the arbitration committee when appointed shall have all the powers and authority of commissioners under the Inquiries Act."

I beg to move this further amendment, Mr. Chairman:

Strike out subsections (h) and (i) and substitute the following:

"The governor in council may make such regulations as he deems fit for the procedure in constituting the arbitration committee and respecting the hearings before such committee, and generally to make effective the purposes of this section."

Mr. STIRLING: Very likely the soldier will want to appoint a lawyer on the board of arbitration. Who will pay that lawyer?

Mr. FORKE: That will have to be arranged by regulation. That was discussed some time ago. Let me quote subsection (f):

Expenditures necessarily incurred by or in connection with the administration of this act as may be provided by regulation, shall be paid out of moneys appropriated from time to time by parliament to soldier land settlement.

If the minister appoints the lawyer he will have to pay him. I think it is generally understood that the committee will not cost the soldier anything.

Mr. CLARK: Will the soldier be allowed counsel to represent him before the board of arbitration?

Mr. FORKE: I imagine that if he appoints a solicitor he will have to pay that solicitor himself.

Mr. CLARK: If it had been the county court judge alone, who was to pay for the soldier's representative to present his case?

Mr. CANNON: Mr. Chairman, this bill was discussed last year—

Mr. CLARK: I wonder, Mr. Chairman, if I could have that question answered?

Mr. CANNON: I will answer it. My hon. friend took a very lively part in the discussion last year, and it was the desire on both sides of the House to try to evolve some sort of system under which the expenditure would be as low as possible, and to keep the lawyers out of this—if we could.

Mr. CLARK: If I may interject the remark, by the surest method in the world you have just brought them in.

Mr. CANNON: My hon. friend is a lawyer and he knows that a party before court can plead his own cause if he wishes to do so. He can plead for himself in any court, including the Supreme Court of Canada.

Mr. CLARK: If he is foolish enough.

Mr. CANNON: Well, I do not know that he would necessarily be foolish. I might be inclined to say he was only cautious. Now the minister has introduced an amendment which establishes in cases of appeal a tribunal of three.

Mr. McQUARRIE: Instead of one.

Mr. CANNON: Instead of having only one, a judge, there will be two other persons on the board, one representing the soldier and the other the Soldier Settlement Board.

Mr. McQUARRIE: All to be paid.

Mr. CANNON: They will have to be paid, acting as judges or advisers. Is it reasonable for anyone to ask the government to introduce, besides these three competent men, lawyers who will charge a fee in order to say what those three men sitting on the board already know? That would be absolutely unreasonable; and if a soldier wishes to have a lawyer, let him pay for that lawyer. I am quite sure that after some of the lawyers had appeared before the board, and the board had exercised its jurisdiction for a while, everyone would realize that there was no need for lawyers.

Mr. CLARK: I should have thought that the Solicitor General would be the one man in this House who would appreciate the fact that in ninety-nine out of every hundred arbitrations that take place, if not, indeed, in one hundred per cent of them, parties appearing before such tribunals are represented by counsel.

Mr. CANNON: Certainly not.

Mr. CLARK: They certainly are, and the Solicitor General knows it only too well. Other lawyers in the House know that this is so, and when the Solicitor General speaks as he has just done it brings home to us how ridiculous his observations have been to-night.

Mr. LAPOINTE: That is offensive.

Sir EUGENE FISET: Just like him.

Mr. CLARK: The Solicitor General says that if the soldier wants counsel to appear before the board he must pay for such representation. "If he wants a lawyer to represent him let him pay for the lawyer:" that is a nice tone to adopt in regard to the soldier, the man whom we are trying to help in this bill.

Mr. CANNON: You are working for yourself now, not the soldier.

Mr. CLARK: We are trying to help the returned man, and if he has to pay his own counsel to represent him there will not be very many soldiers who will submit cases for arbitration, for the simple reason that they will not have the money to employ counsel. If we are to deny the returned soldier the right of representation by counsel—and that is what is being done here—he will certainly not get full justice. The Minister of Justice knows only too well—he knows it probably better than any other man in this House—that it is the height of folly for any man to be his own advocate in any case that is submitted to a tribunal for adjudication. It is written in history, as clearly as it can be written, that the man who attempts to be his own advocate, be he lawyer or layman, is unwise and knows not how to go about securing justice. The Solicitor General declares that we want to save money. I agree with him in that regard and that is why I endorsed the suggestion put forward by the minister to-night, that there should be one county judge, a trained man well versed in the administration of the law, to adjudicate upon the facts in any case requiring his judgment. If you are really thinking of the interests of the soldier, it is far better to have his counsel appear independently before the court than to have him sit on the court itself; for a man cannot be a member of a tribunal and act as advocate for one of the parties at the same time. That is contrary to all the principles of justice. The Solicitor General, I am sure, knows that perfectly well. If you have a court of appeal of five, you cannot have one of those judges, while sitting on the court, act as advocate in behalf of one of the litigants or one of the parties who have submitted the matter which is being adjudicated upon. And just as surely as we have these boards of appeal composed of three members you will find that every soldier will want to have counsel, whether he can afford it or not, in order that he may have his case properly presented to the court. If therefore we deny him that representation we shall crtainly not do him full justice. I repeat, if we are going to pay the members of the arbitration board it will be far better to let one man, the county court judge, render the decision and pay counsel to represent the soldier interested.

The CHAIRMAN: Before there is any further discussion it might be as well to get the amendments properly before the committee and have them disposed of in order. The hon. member for Lethbridge (Mr. Jelliff) has moved an amendment which is now before the committee.

Mr. GARDINER: I suggest, Mr. Chairman, that we take these amendments ad seriatim.

The CHAIRMAN: That is precisely what I am doing now. The amendment at present before the Chair is that first submitted, the motion of the hon. member for Lethbridge.

Mr. NEILL: I suggest that we adjourn so that we may have the printed amendments before us.

Mr. YOUNG (Saskatoon): My sympathy is entirely with the returned man. In my own constituency many cases of hardship have occurred, and while it has been said to-night that there has been friction between the soldier and the board, my experience has been that the friction was due not so much to any misunderstanding between the soldier and the board as to the fact that the board had not sufficient latitude under the regulations to deal with particular cases. In my opinion it would eliminate ninety to ninety-five per cent of the difficulties that have existed heretofore if we provided that the soldier settler and the board should have the power to settle their differences between themselves. Beyond that I should not be very much concerned whether the dispute went before the county court judge or a board of arbitration. I hope we have not been kept up here for a good many hours to determine whether or not we will provide legal fees for some legal gentlemen. I am not concerned about that at all and I am not in sympathy with what the last speaker has said in that regard.

Mr. CLARK: I don't want your sympathy.

Mr. YOUNG (Saskatoon): And you certainly are not going to get it.

Mr. CLARK: I hope I never will.

Mr. YOUNG (Saskatoon): I do not believe for one moment that the soldier is going to be helped very much by a discussion of that character. I thought everyone was sincerely interested in getting justice for the returned soldiers, but I do not believe they will get any more justice by our stating that legal counsel is to be employed in every case.

Mr. McQUARRIE: I suppose if they were medical fees it would be different.

Mr. YOUNG (Saskatoon): That gives me a good chance to say something which I did not want to bring up; the medical profession throughout Canada has not forgotten its obligation to the returned soldiers in any case, and I believe that to be generally true of the legal profession as well.

Mr. McQUARRIE: You never find them working for nothing.

Mr. YOUNG (Saskatoon): They do so in a very large number of cases; perhaps I might say they do more work for nothing than any other class on top of the earth.

Mr. CLARK: Blow your own horn hard.

Mr. McQUARRIE: Some of them are not worth anything.

Mr. YOUNG (Saskatoon): If we leave it to the soldiers and to the members of the board to remove their difficulties ninety-five per cent of the trouble will disappear, and the small proportion remaining will not give much trouble if left to the board suggested by the minister.

The CHAIRMAN: Shall the amendment carry?

Amendment (Mr. Jelliff) negatived.

Mr. MILLAR: I rise to a point of order, Mr. Chairman, I am not opposed to the amendment, but I have been at sea regarding some of the rulings, and I think this is a splendid opportunity to find out just where I am. When we considered the resolution before this committee I moved a similar amendment which was ruled out of order because I am a private member. At a later date, either yesterday or the day before, we discussed the point of order, and the point seemed to be that if the amendment dealt with the expenditure of money it was out of order and if it did not do so it was in order. In order to understand the rules better I raise this point of order, not because of any objection to the amendment.

The CHAIRMAN: This amendment may have been out of order in strict accordance with the rules, but it is now out of court because it has been defeated, so I think we will not have any trouble with that.

Mr. BANCROFT: I would suggest that as the hour is getting late we now adjourn.

Some hon. MEMBERS: Let us get through.

Mr. FORKE: This bill was discussed pro and con last year, and everyone is familiar with it. A few changes have been made in regard to the board of arbitration but otherwise the bill is the same and I do not see why we cannot carry it through.

Some hon. MEMBERS: Go on.

Mr. RALSTON: I would like to say a word in regard to the amendment moved by the minister. I agree with one of the hon. members who spoke previously that the provision in the amendment that the board and the settler may negotiate and come to an agreement is a very important feature of the legislation, as it seems to me to establish at the start a relationship which will make for good and which will make it possible that there will be no appeal at all. I think I may be taken as speaking with at least some sympathy for the ex-service men. I have considered the relative merits of the two tribunals and it seemed to me at the outset

that the establishment of the Exchequer court as an appeal tribunal was undesirable because of the fact, in the first place, that the court appears to be so far removed from the soldier and he is always faced with the delay and inconvenience which would attend an application to that court. An appeal by submission to the county court judge, while very much better than the Exchequer court, would at the same time bring up in the mind of the soldier the idea of formality, with the usual procedure known very well by the hon. member for Burrard (Mr. Clark) of having to call expert witneses to the stand and all the rest of it. I suppose the Soldier Settlement Board would bring expert valuators and the soldier would do the same; there would be a battle of wits, with the result that at best the soldier would not feel very well satisfied with the decision. The parties would be at arms' length and there is a formality about it which, it seems to me, is wholly undesirable.

This legislation is to endeavour to correct the situation which has arisen to some extent by reason of the conditions which have come into effect since the former legislation was passed and to some extent through mistakes in valuation which may have been made and contributed to not only by the Soldier Settlement Board but perhaps by the soldier as well. We are trying to meet that situation now, and it seems to me that the most friendly relations possible should be established and maintained. I do not think an appeal to a judge of the county court is the best way to do that, and as the minister was reading the amendment it seemed to me that an arbitration provision something the same as that incorporated in every insurance policy and something the same as we have in every charter party is desirable. With all due respect to the hon. member for Burrard, legal gentleman very seldom take part in these arbitrations; assessments are made under insurance policies all over this country by arbitrators appointed under the terms of those policies and I only know of two cases in my experience in such matters in which lawyers were engaged. As we all know charter parties contain arbitration clauses and legal talent is very seldom engaged. What happens is just what I hope will happen here, that the county court judge, the representative of the Soldier Settlement Board and the representative of the soldier will sit around a table and discuss the matter informally, instead of having a judge get up on the bench and don a wig and gown; they will probably hear statements from people of the vicinity as to the amount paid by the soldier for the land in the first place and as to the conditions which have existed since and which have resulted in the depreciation, and they will in all probability come to some decent, moderate and reasonable conclusion without the necessity or formality of legal proceedings or the intervention of legal gentlemen. Possibly, of course, some ex-service men will desire counsel. Perhaps this will find some approval in the minds of hon. gentlemen who have suggested that members of the legal profession are not always what they should be, but it may be that sometimes a member of that profession will be found going about the country endeavouring to urge ex-service men to appeal. At the same time, however, it seems to me that that will be very much more likely if the appeal is before a county court judge alone and if the lawyer has an opportunity of exercising all the arts and wiles of the legal profession before a county court judge rather than before a tribunal composed as suggested in the amendment, and if, as my hon. friend the Minister of Railways suggests, he is not paid by the government.

Mr. McQUARRIE: Will the department then undertake not to have counsel representing the board?

Mr. RALSTON: I cannot speak for the department, but I would think there would not be very much danger of the Soldier Settlement Board having counsel if the soldier does not have counsel. I think the Minister of Immigration would be willing to give that undertaking.

Mr. McQUARRIE: Can he give it?

Mr. FORKE: Yes, I can.

Mr. RALSTON: I do not think the suggestion helps very much in this discussion. We are trying to find some reasonable way out; we are trying to constitute a tribunal which will be close to the soldier and in which he will have confidence, and it does seem to me that the proposal embodied in this amendment will produce that result. That is why I think the amendment might find approval at the hands of the committee. The soldier can feel pretty well satisfied that he has not to come to Ottawa nor even to go to his county town. Perhaps he will be able, somewhere near the corner grocery store or in the hall in his particular village, to meet the tribunal which will decide his case. They may go and look over the farm. I do not know what is done in the west, but I know they look over the farms down east and try to come to some conclusion as to what the diminution or depreciation in value is. Therefore I support the amendment.

The CHAIRMAN: The amendment moved by Mr. Forke is as follows:

To amend section 68, subsection (e) as follows:

Strike out all the words after the word "section" in line sixteen, and substitute the following: "and unless the board and the settler agree within one month thereafter on the amount of the depreciation in value, such amount shall be finally fixed and determined by an arbitration committee appointed by the minister and selected as follows: the chairman shall be the judge of the county or district court, or in the province of Quebec the Superior court, having jurisdiction in the judicial district in which the land is situated, one member nominated in writing by the settler, and one member nominated in writing by the board; and the members of the arbitration committee when appointed shall have all the powers and authority of commissioners under the Inquiries Act."

Mr. McQUARRIE: How are they to be appointed by the minister and why are they to be appointed by the minister if they are appointed in the other way?

Mr. RALSTON: If I may answer, because I know there is an amendment following with regard to the regulations, someone has to see that the board is actually constituted and working, and the minister must follow the provisions in the statute, which are that one is to be a man nominated by the soldier, another to be nominated by the board and the county court judge is persona designata.

Amendment agreed to.

The CHAIRMAN: Mr. Forke moves to strike out subsections (h) and (i) of section 68 and substitute the following:

The governor in council may make such regulations as he deems fit for the procedure in constituting the arbitration committee and respecting the hearings before such committee, and generally to make effective the purposes of this section.

Mr. NEILL: Before we go on with that, I would point out that we have left paragraph (d) uncompleted and there should be an amendment made to paragraph (g).

Mr. FORKE: All right. I intended to move that as soon as this one was passed, but I will move it now. I move this amendment to paragraph (d):

That the word "October" be added after the words "day of' in the blank in line eleven.

The paragraph will then read:

All applications for revaluation must be submitted to the board prior to the first day of October.

Mr. COOTE: Mr. Chairman, I would like a little information if I may have it from you. We have not yet adopted anything in connection with this bill except one amendment. As a rule we take up different clauses of a bill and pass them one by one. I should like to know, before we go any further, whether we can amend a clause or a subclause preceding one which we have already amended.

The CHAIRMAN: In answer to the last question I will say no, but I think the custom in committee in handling a bill is to deal with clauses. There happens to be only one clause in this bill.

Mr. COOTE: This will not preclude us from moving amendments to former subclauses of this bill, I take it. I would like to be sure of that.

The CHAIRMAN: According to the rules that is not permissible.

Mr. COOTE: Is that not what the minister is doing at the present moment? If we are going to do it for one clause of the bill, we should be allowed to do it for others.

Mr. CANNON: At the very outset of the discussion on this bill it was suggested by the hon. member for Comox-Alberni that we should discuss the one clause, taking it one paragraph at a time. I think that at this stage if the chairman would read each paragraph we might make some progress.

Mr. FORKE: All right, we will go back.

Amendment agreed to.

The CHAIRMAN: Is it the desire of the committee that we start at paragraph (a)?

Some hon. MEMBERS: Carried.

Paragraphs (a) and (b) agreed to.

On paragraph (c)—How depreciation shall be computed.

Mr. COOTE: This paragraph should not carry as it is. After the time that was taken up in committee on the resolution covering this bill, over the word "diminution" as it occurs in the second line of this paragraph, the minister, if he is bound to get this bill through to-night—and it is not usual to compel the House to sit so late on a Friday—will surely be good enough to move the amendment which I know he has in his desk and which must be something more sensible than this. The words "the diminution in the present value" to my mind mean nothing. If any legal gentleman in the House can explain to those of us who are not members of the legal fraternity just how there can be any diminution in the present value of land, we would like to hear the explanation.

Mr. FORKE: I have a long brief on this word from a very eminent authority. I am not going to give the authority, but his conclusion is that it is a perfectly correct clause. I did not mean any disrespect to the committee in not considering an amendment. I am only repeating what I have said, namely, that I have been assured by eminent authorities that this is quite all right. I am sure every hon. member knows exactly what the clause means.

Mr. GARLAND (Bow River): It will probably be all right if we can keep the lawyers out of it.

Mr. COOTE: This may carry, but I think if it does this committee will not be using as good judgment as it generally does. It was the considered opinion of the committee when the resolution was before it that this wording was not correct. There is no doubt that the committee would have accepted an amendment which was moved by the hon. member for Qu'Appelle (Mr. Millar), had not a point of order been raised by the leader of the opposition (Mr. Guthrie). The minister himself was quite convinced on that occasion that the wording as given in the bill was not right. Surely if we are going to spend all day on this bill, we might make this clause read so that it will be intelligible, let us say, to the soldier settlers. I am sure that many of them will read this and say: There is no diminution in the present value of my land; it is worth just what it is worth; I cannot find any diminution. Would it not be better to use plain English that will be understood?

Mr. FORKE: It says that it shall be the diminution in the present value as compared with the price at which the land was bought.

Mr. COOTE: It reads:

> The depreciation in value to be determined shall be the diminution, not due to neglect or mismanagement on the part of the settler, in the present value of the land and the improvements sold to the settler, as compared with the price at which the settler agreed to purchase the said land and improvements from the board.

Mr. FORKE: I do not see much difficulty about that.

Mr. COOTE: But the diminution is not in the present value. It is the diminution from the price at which he bought the land. We are taking it for granted that there is a depreciation, and that depreciation or diminution is in the value of the land when he bought it, not in the present value.

Mr. McLEAN (Melfort): If we said "shown in the present value," I think that would remove the difficulty.

[Mr. Coote.]

Mr. McINTOSH: It says, "diminution in the present value of the land and improvements sold to the settler." There is no comma after the word "land." Why stop there? The comma is after the noun "settler." If you substitute for the words "as compared with" in line 34, paragraph c, the word "and" making it read "and the price at which the settler agreed to purchase the said land and improvements from the board," the meaning is still more clearly expressed. But there is no ambiguity in the clause as it stands. The discussion from time to time in the House would lead to the conclusion that some hon. members think the paragraph in question about as plain as mud.

Mr. CARMICHAEL: The difficulty seems to be over this word diminution, which some of us do not know how to pronounce. The meaning of the word is, I think, a lessening or a decreasing. We can avoid all the ambiguity of this section by changing one word of two letters in the thirty-second line, the word "in" to "to". Then it would read "diminution to the present value."

Mr. COOTE: The minister has a perfectly good amendment on his desk, and I think he should at least suggest it to the committee for consideration.

Mr. FORKE: I am not going to move it, but I will give it to the committee for consideration, because I am no longer sure of the English language.

Mr. STEVENS: Give us Scotch. We will understand it better.

Mr. FORKE: I could use Scotch all right. It reads:

> The depreciation in value to be determined shall be the amount by which through no neglect or mismanagement on the part of the settler the price at which the board agreed to sell the land and improvements to the settler exceeds the amount representing the present value of the said land and improvements.

If that is satisfactory to the committee, I will move it.

Some hon. MEMBERS: That is all right.

Mr. FORKE: I move the amendment accordingly, Mr. Chairman.

Amendment agreed to.

Paragraph (e) as amended agreed to.

Paragraph (f) agreed to.

On paragraph (g).

Mr. FORKE: I move that in the thirty-second line the figures "1925" be substituted for "1926."

Amendment agreed to.

Paragraph as amended agreed to.

The CHAIRMAN: Paragraphs (h) and (i) have been struck out. There is a new paragraph (h).

Paragraph (h) agreed to.

The CHAIRMAN: Paragraph (j) now becomes (i).

Paragraph (i) agreed to.

On the preamble.

Mr. FANSHER (Last Mountain): I have listened to the discussion very attentively, but there is one point that has not been emphasized, although it was referred to by the member for Comox-Alberni. Is there any provision in this act whereby a soldier settler can be taken from land that is of no value and put on a farm where he will have some chance of making good?

Mr. FORKE: The board has actually been doing that in the past, and the passing of this act will make it much easier.

Mr. GARDINER: Is it the intention of the government to supply the board with sufficient funds to allow them to do that kind of thing? It is a question simply of money; the legislation is there.

Mr. FORKE: There has been no provision that I know of in that regard.

Mr. GARDINER: Will the government make such provision?

Mr. FORKE: That is a matter for the government to consider.

Mr. BIRD: Is there a provision in the act which allows the board to transfer a man from land that is of no value to another farm?

Mr. FORKE: I could not answer that with any degree of assurance, but they have been doing that.

Mr. BIRD: This is a matter of interest to the soldier settlers. I had a letter the other day inquiring about this very thing, and I just wanted to know from the minister if it is legal for the board to make such a transfer, or does the board do it just out of the goodness of its heart? What is the procedure?

Mr. FORKE: I know that the Dominion government has been in negotiation with the provincial governments in some cases to move not only soldier settlers but other settlers away from lands on which they were not able to make a living owing to their poor quality. But a difficulty arises. The province is quite willing to move a settler from one section to another within the province, but none of the provinces is very anxious to make any move to assist the Dominion government in moving a settler from one province to another. Hon. members will understand that between the Great lakes and Manitoba there is some very poor land and there are some very bad conditions, and the Soldier Settlement Board has assisted settlers to move to other lands in Saskatchewan to which they could be moved, but there is no regulation under which the expenses of that removal could be paid by the Dominion government. I do not think the Soldier Settlement Board have gone into that business, though they have been moving settlers from one place to another as a matter of accommodation where they had land available.

Mr. MILLAR: Did the government pay the expenses of moving.

Mr. FORKE: I do not think so.

Mr. GARDINER: I do not think the minister has answered the question put by the hon. member for Nelson. The Soldier Settlement Board does not move ordinary settlers from one district to another. That has come under the jurisdiction of the federal government, the provinces and the railways. We have soldier settlers on lands that have no agricultural value. I am quite aware that the board may have in its possession lands to which these men could be transferred. I understand the legislation in force at the present time gives the board power, if they have the land and the money, to transfer these soldier settlers from one place to another. The question I desire to ask is this: will the government place in the estimates a sufficient sum to permit the settlers to be moved from places where the land is of no agricultural value to other districts where they can make a living?

Mr. FORKE: I am afraid that is a matter of government policy. I could not make a promise of that kind.

Mr. GARDINER: Will the minister lay it before the cabinet?

Mr. FORKE: Yes.

Preamble agreed to.

Mr. McPHERSON: I made a suggestion which was not opposed by anybody, and I think it is in the interests of a large number of soldiers, namely, that paragraph (j) should be amended to read, "who is desirous of repurchasing the land," instead of "who is desirous of returning to the land," so that it

would cover the cases where the agreements had been cancelled and the men were still on the land. That would let them all in. If there is no objection I move that that amendment be made.

Mr. FORKE: That is all right, I accept that amendment.

The CHAIRMAN: The motion is to strike out the words "returning to" and substitute the words "desirous of repurchasing."

Amendment agreed to.

Paragraph as amended agreed to.

Bill reported.

Mr. GARDINER: Better postpone the third reading for the next sitting of the House, because we want to look into the amendments.

Mr. LAPOINTE: The Senate sits on Tuesday and we would like to have some work for them to do.

Mr. GARLAND (Bow River): I am afraid it would break their hearts if they ever found some work to do.

On motion of Mr. Lapointe the House adjourned at 11.30 p.m.

Monday, March 7, 1927

The House met at three o'clock.

PRIVATE BILL

FIRST READING

Bill No. 118, respecting certain patents of James McCutcheon Coleman.—Mr. Jacobs.

EXCISE ACT AMENDMENT

Hon. W. D. EULER (Minister of Customs and Excise) moved for leave to introduce Bill No. 119 to amend the Excise Act.

Some hon. MEMBERS: Explain.

Mr. EULER: This bill proposes no drastic changes. The amendments provide very largely for removing uncertainties which have been experienced in the way of interpretations of various clauses of the act. Beyond that, the other clauses are designed almost entirely to provide higher penalties for serious violations of the act. There is nothing else of importance in the bill.

Motion agreed to and bill read the first time.

[Mr. McPherson.]

BRITISH COLUMBIA VEGETABLE GROWERS

ALLEGED PREFERENCE TO ORIENTALS

On the Orders of the Day:

Hon. S. F. TOLMIE (Victoria): Mr. Speaker, I have in my hand a letter from the firm of Hayward and Scott, wholesale produce and commission merchants, Vancouver, B.C., in connection with the export of vegetables to the British troops in China. I will not take up the time of the House by reading it all, but I wish to read this extract:

We notice Mr. Tolmie's inquiry and reply of Mr. Motherwell as to why white dealers and growers had no opportunity of quoting on potatoes supplied to the British forces in China.

We understand these orders were placed by Mr. Clarke who is the Dominion fruit inspector in Vancouver. The business was given to R. Robertson Company, and two shipments were made—R. Robertson Company shipping the first orders—buying both potatoes and onions from Chinese dealers. White dealers and growers had no opportunity of quoting on the first order. There were hundreds of tons of potatoes available in the hands of white dealers and growers, had they been given an opportunity to quote. The second order for potatoes which went forward on the last Canadian Pacific boat, Empress of Canada, sailing from Vancouver February 26, was also filled by R. Robertson Company.

The onions on the second order were supplied by Fraser-Wood Company. Some of the dealers heard this second order was being placed and called up Mr. Clarke, but received no encouragement from him—evidently it was a cut and dried proposition that Robertson Company was to receive this order—Fraser-Wood, however, brought a little influence to bear through Ottawa, and received the onion order.

This statement by Mr. Clarke and Mr. Robertson that it was impossible to supply potatoes and onions from white growers, is absolutely untrue, and also the statement that the time was too short to secure these goods, is also wrong. R. Robertson Company are brokers who do not carry any stocks. It may have been difficult for them to supply goods, but other dealers and growers who carry a stock on hand would have had no difficulty in filling these orders.

R. Robertson Company had the goods put up by Chinamen and these potatoes were grown by Chinamen. Messrs. Motherwell, Clarke and Robertson's assertions that white dealers and growers were unable to supply these goods is untrue.

There are thousands of tons of potatoes both in Vancouver and the adjoining districts grown by white growers and these could have been supplied, had they been given an opportunity of quoting. It surely does not look very consistent to have the Chinese supplying the ammunition to fight the Chinamen in China.

We are enclosing copy of a picture taken on the wharf showing these goods being delivered by the Chinese dealer in Vancouver.

I have also a picture of the dock showing a large number of potatoes in sacks, a truck loaded with potatoes alongside, with a Chinese chauffeur, and on the side of the truck appears the name Wong Fat. Has the minister any further information on this question?

Hon. W. R. MOTHERWELL (Minister of Agriculture): If my hon. friend had given me an opportunity I might have had the documentary evidence with me. The first offer to fill this order for potatoes and onions was given, so far as my recollection goes, to a firm in the Okanagan valley, but they had not the goods and therefore we had to look for supplies elsewhere. We have not inquired into the colour of Mr. Robertson—I mean the colour of his skin, nor the colour of his politics, but I presume he is white. It never, however, occurred to me to inquire into the nationality of the growers who supplied these potatoes to Mr. Robertson. The second offer to have this order filled was given to Mr. Robertson as a responsible broker and I assume he got them where he liked as long as he complied with the conditions of the contract. There was only one thing upon which the British authorities, through the High Commissioner's office, insisted, and that was that all these goods would be examined carefully by the government inspector and that they must be of the proper quality. That condition was complied with. As regards the statement that some of these growers who supplied the goods to Mr. Robertson were Chinamen, that may be so. I do not know; I assume it is so; but when the overseas authorities were buying wheat from the western provinces during the war I do not think anybody ever thought of asking who grew the wheat or what colour was the skin of the man who grew it. I do not want to magnify this or to make light of it; but with the Empress of Asia lying in the harbour scheduled to sail on a given date seven or eight days after the first communication, if the goods were not supplied on time and up to quality, the boat would sail without them. That is all I have to say at the present time, except that if it was an inadvertence not to find out in each case just who grew these goods and what was the nationality of the individual, then I must admit I was remiss, but that question was never put up to me by anybody.

Mr. TOLMIE: I would like to ask the minister if he will be good enough to make every effort to have any further orders filled by white producers if possible.

Mr. MOTHERWELL: We will surely give everybody, no matter what the colour of his skin is, an opportunity to supply these goods as long as the price and the quality are right.

MARITIME CLAIMS

PROPOSED LEGISLATION ARISING OUT OF DUNCAN REPORT

On the Orders of the Day:

Hon. HUGH GUTHRIE (Leader of the Opposition): Mr. Speaker, may I express the pleasure which we all feel upon seeing my right hon. friend the Prime Minister back in his place in the House of Commons to-day? He has returned in apparent health, strength and vigour, and we are all glad to see him back. During his absence we have done some serious business in this chamber under the genial guidance of the Minister of Finance, but we always like to have the head of the government present during our deliberations.

Could the right hon. gentleman give us some idea as to when he proposes to bring down to this chamber legislation in regard to the Duncan report? I do not ask him to give me the exact date, but if he could give us the approximate date it would satisfy a considerable curiosity on this side of the House.

Right Hon. W. L. MACKENZIE KING: May I thank my hon. friend for the cordial welcome he has given me on my return to the House and also thank hon. members of the House for the hearty manner in which they have received his generous words? Replying to my hon. friend's question, I hope early next week to make a statement on behalf of the government as to the legislation which it is intended to introduce arising out of the Duncan report.

VERMILION WHEAT

On the Orders of the Day:

Mr. H. E. SPENCER (Battle River): I should like to address a question to the Minister of Agriculture. A further criticism was made by the Department of Agriculture a few days ago before the committee on agriculture in reference to the new wheat known as Vermilion. I ask the minister if the originator, Mr. Larcombe, was notified and given a chance to appear and to protect the license which was granted to him, I understand, on December 30 last year.

Hon. W. R. MOTHERWELL (Minister of Agriculture): I do not think he was notified to appear before that committee, but as my hon. friend knows, after Mr. Larcombe learned the result of the baking and milling test of

this Vermilion wheat, both at the experimental farm and at an independent milling concern at Winnipeg, he voluntarily withdrew the Vermilion wheat from public sale as seed, believing that in the public interest, it would not be advisable, in view of the report on the milling qualities, to offer the wheat for sale as seed, although he would personally be at some loss. He did that voluntarily.

Mr. SPENCER: Is it the intention of the department to cancel his license?

Mr. MOTHERWELL: The department has no authority to cancel his license.

PURE BRED STOCK

DISTRIBUTION OF SIRES AMONGST STOCK BREEDERS

On the Orders of the Day:

Hon. R. J. MANION (Fort William): I desire to draw the attention of the Minister of Agriculture to a telegram I received. I rather think the same telegram, or one similar to it, was brought to his attention the other day, but I am not certain. It is from the agricultural representative at Fort William, and reads:

> Understand Dominion Livestock branch discontinuing bull loan policy throughout Dominion. Fifteen per cent Fort William settlers will be deprived pure bred bulls. Will cause serious loss and discontent among pioneers. Strongly urge efforts reconsideration action. Writing.

I would like the minister to give whatever consideration he can to this.

Hon. W. R. MOTHERWELL (Minister of Agriculture): I think my hon. friend is unnecessarily alarmed. I may say that I intend to make a statement in the course of a day or two which I hope will allay the fears not only of my hon. friend, but also of the animals in question.

Mr. MANION: I would like to assure my hon. friend that this telegram did not come from one of the animals.

BOARD OF RAILWAY COMMISSIONERS

REQUESTS FOR EXPEDITION IN FREIGHT RATE HEARINGS

On the Orders of the Day:

Mr. M. N. CAMPBELL (Mackenzie): Will the Minister of Railways inform me if it is the intention of the government to press the railway commission for a quick decision in connection with the case pending before that body, and which is sponsored by the Quebec harbour commission. I observe by the press that the government has made a similar request of the railway commission in connection with the case pending before them entered by the western provinces. I should like to know if they propose making a similar request in connection with the application of the Quebec harbour commission.

Hon. CHARLES A. DUNNING (Minister of Railways and Canals): The government has not found any reason for urging expedition in the matter which is now going on actively before the railway commission. The former request arose out of an appeal relating to a matter of procedure before the board and in the judgment the government called attention to the necessity for expedition. The government is of opinion that expedition is required with respect to the whole general rates case now before the railway board, and we have every reason to believe that the board itself is using every means possible to bring about an early conclusion of the case. But the Board of Railway Commissioners cannot restrain the legal gentlemen representing the provinces and other parties, either in their examination of witnesses or in their presentation of argument. Only a few days ago the board did request counsel appearing for all parties to expedite the work of the board by concluding the evidence and arguments as soon as possible.

SOLDIERS INSURANCE

On the Orders of the Day:

Mr. L. J. LADNER (Vancouver South): Has the Minister of Soldiers Civil Re-establishment come to a decision with regard to the extension of time for application for soldiers' insurance? Some inquiries have been made, and it seems to be a matter of concern.

Hon. J. H. KING (Kootenay, Minister of Soldiers Civil Re-establishment): No, the matter has not been thoroughly and completely considered. It is under consideration now.

Mr. LADNER: Could the minister tell us when a decision might be expected?

Mr. KING (Kootenay): Within the next few days possibly.

Mr. LADNER: The next few days?

Mr. KING (Kootenay): Possibly.

PRIVATE BILLS

CONSIDERED IN COMMITTEE—THIRD READINGS

Bill No. 71, respecting The Alberta Railway and Irrigation Company.—Mr. Jelliff.

Bill No. 76, respecting La Compagnie du Chemin de fer de Colonisation du Nord.—Mr. Parent.

CANADIAN PACIFIC RAILWAY

The House in committee on Bill No. 73 respecting the Canadian Pacific Railway Company—Mr. Spencer—Mr. Johnston in the chair.

Section 1 agreed to.

On section 2—Extension of time for completion of authorized line, etc.

Sir GEORGE PERLEY: I see this section has been amended, Mr. Chairman.

The CHAIRMAN: Yes. This clause has been amended by adding after the word "uncompleted" in the last line, the following words, "provided that for the purpose of avoiding duplication of construction of that portion of the line west of Lloydminster, the approval of the route map may be made subject to joint construction or operation with the Canadian Northern Railway Company on terms to be agreed upon by the companies or settled by the Board of Railway Commissioners for Canada."

Mr. YOUNG (Weyburn): Should not "Canadian Northern" read "Canadian National"?

Mr. DUNNING: The charter in question is a Canadian Northern charter. The Canadian Northern Railway Company is still a corporate entity.

Amendment agreed to.

Section as amended agreed to.

Sections 3 and 4 agreed to.

Bill reported, read the third time and passed.

MANITOBA AND NORTH WESTERN RAILWAY COMPANY OF CANADA

The House in committee on Bill No. 77 respecting the Manitoba and North Western Railway Company of Canada—Mr. McPhee—Mr. Johnston in the chair.

On section 1—Line of railway in Saskatchewan authorized, etc.

Mr. FANSHER (Last Mountain): Mr. Chairman, I notice that this bill has been amended. Possibly the Minister of Railways can explain the amendment, or perhaps you, Sir, will read it.

The CHAIRMAN: The clause has been amended by striking out all the words from the twelfth line to the end and substituting other words, so that the clause now reads:

The Manitoba and North Western Railway Company of Canada, hereinafter called the "company" may within two years after the passing of this act commence to construct the following line of railway, namely:—

Then comes the amendment.

from a point at or near Kandahar in or near township 32, range 17, west of the 2nd meridian, thence in a southerly direction, a distance of from 12 to 15 miles, thence easterly to a point in townships 28 or 29, range 12, west of the said meridian; or from a point at or near Foam Lake, in townships 30 or 31, range 11 or 12, west of the said meridian, thence in a general southerly direction, a distance of from 12 to 15 miles to a point in townships 28 or 29, range 12 or 13, thence in a westerly direction, a distance of about 30 miles.

Amendment agreed to.

Section as amended agreed to.

Section 2 agreed to.

Bill read the third time and passed.

MONTREAL, OTTAWA AND GEORGIAN BAY CANAL COMPANY

The House resumed from Friday, March 4, consideration of the motion of Mr. Chevrier for the second reading of Bill No. 78 respecting the Montreal, Ottawa and Georgian Bay Canal Company.

Mr. MANION: Mr. Speaker, when the time for the consideration of private bills came to an end on Friday night, I was dealing with the inadvisability of this House granting charters to any companies that, in a sense, are not bona fide. I pointed out that in the past there had been probably too much of a tendency to grant charters for various purposes to companies which were thus enabled to hold up the progress of the country. True, at times it is difficult to judge of the bona fides of those who apply for a charter, but I submit, Sir, that when the promoters do not exercise the powers which their charter supposedly intended them to take advantage of, then the granting of such a charter does harm to the country, in that the grantees are in a position to retard progress along certain lines on the plea that it might infringe upon their charter rights.

The present question has this merit, that it is not a party question, and every member can take his stand upon it without being accused of injecting party politics.

It is important to remember that the charter which under this bill it is now sought to extend was granted as far back as July 23, 1894, practically 33 years ago. Within two years of that date the work was to have been commenced and $50,000 expended, and in eight years it had to be finished or the charter would become null and void. Let me supplement that by reading section 44 of the original charter:

If the construction of the canals hereby authorized to be constructed, or some of them, is not commenced and fifty thousand dollars are not expended thereon within two years after the passing of this act, or if the said canals are not finished and put in operation within eight years after the passing of this act, then the powers granted by this act shall cease and be null and void as respects so much of the said canals and works hereby authorized as then remains uncompleted.

Instead of that charter being cancelled it has been renewed thirteen times, and this is the fourteenth application to the parliament of Canada for the same purpose. Practically no work has been done except perhaps some surveys in the way of general investigation; but so far as the construction of the canal goes absolutely nothing has taken place. I pointed out on Friday night that many of the original charter holders are dead, and looking over the list this morning I find such names as Sir Henry Egan, George Cox, Dennis Murphy, Sir James Grant and Mr. Bergeron, who at one time was a member of parliament. Many of these charter holders have died in the meantime, and still the charter is being renewed, from time to time, although nothing has been accomplished in the interests of the country. The rights of many of the original charter holders passed at one time into the hands of Sir Robert Perks, and according to a letter which I received this morning, and which I presume other members are in possession of, those rights have now gone to other parties.

The original rights were mainly three. In the first place, they were empowered to build a canal nine feet deep, to use whatever water was necessary, to expropriate whatever lands they required, to build terminals, wharves, and so forth—the usual phraseology of such a charter. Secondly, they had the right to charge tolls on the use of the canal. In the third place—and this is the keynote of the whole matter—they had the right to produce, lease and supply hydraulic, electric or other kinds of power, and so on. The original purpose was to build a canal—the Georgian bay canal project which was much talked of in the old days—from the head of the lakes, whence I come, down along the Ottawa river. But I believe that to-day the real purpose behind the request for the renewal is to develop some of the million horse-power which exists on the river.

Let me deal for a moment or two with some of the rights given in the charter. In the first place, as regards the right of a private company to construct public waterways and to allow ships to use those waterways, for which use that private company levies a toll, I believe the majority opinion, not only in Canada but throughout the world, is opposed to any permission being given to any such corporation to own the canals or waterways of a country and to make a profit therefrom. It is a bad principle to permit the private ownership of any of the waterways of the country, and that is one of the principal reasons I have to advance against the company building this canal, if indeed it had any intention of so doing. I submit that the government of Canada should own and control its own waterways; those waterways should not be given to any private corporation.

Then in regard to the power question: I will admit that in 1894 when the charter was originally granted the power possibilities in connection with the scheme were not thought of, as they are to-day. Power development had not at that time reached any considerable proportions, and there was not the same speculation regarding its future as there is to-day generally, particularly in this province. Indeed, I notice that the right to develop power was added to the charter merely as a subsidiary clause at the tail-end of one of the main provisions. Perhaps I had better read it. It is to be found in subsection (g) of section 8. They shall have the right to:

—lay out and lease or otherwise dispose of waterlots, and use, sell, lease or otherwise dispose of water brought by or for the said canals or works but not requisite for the same, and produce, lease and supply, or otherwise dispose of hydraulic, electric and other kinds of power in connection with the works hereby authorized.

That, as I say, is really the tail-end of a paragraph. It is a subsidiary clause. And that more or less proves my contention that at the time the charter was given the real object in view was the building of a canal purely and simply, and not the development of power. The foregoing clause I have read, coming as it does as a sort of afterthought, shows beyond question that the power possibilities of the scheme were looked upon at the time as of minor importance. To-day, however, thirty-three years later, power development has become one of the supreme questions of the country. I made it my business this morning to ascertain what development there had been at Niagara since the granting of the charter; I wanted to find out if figures would not illustrate my contention better than any argument I could offer. I suspected that in 1894 there was little if any development of electrical power at Niagara falls, and so I rang up the officers of this government and asked them what development there was at the falls in that year. They

replied, none. Yet to-day, thirty-three years later, there is being developed at Niagara, on the Canadian side, 1,000,000 horse-power, and on the American side 500,000 in round figures. So that there you have a total development of 1,500,000 horse-power of electrical energy at Niagara falls, and all this since the charter was originally granted. I need not offer further arguments to show how tremendously important power development has become to this country. The figures I have submitted amply demonstrate this.

One of the greatest factors in commercial progress in this or any other country to-day is the development of commercial electric power. In 1894 power could not be transmitted over any considerable distance. Since that time means have been devised whereby this can be done; power transmission over great distances is a matter of daily practice. That explains the rapid advance which power development has made. Take my own section of the country: Nipigon falls for very many years—I think I may safely say up to 1917—lay altogether idle. They were not developed at all. About the year 1917, however, Adam Beck decided to develop those falls, which have a potential hydro development of about 300,000 horse-power. As a result of the activities carried on there they have already developed 75,000 horse-power of that maximum, notwithstanding the fact that at the time the development there was proposed it was opposed by some people at the head of the lakes. That 75,000 horse-power is used to-day at Port Arthur and Fort William by the pulp and paper industry, and not only has it been a great blessing to that section of Canada, but the power development there will probably make for—this is not an exaggeration, for the facts substantiate the statement—one of the greatest pulp and paper industries in the world, if not, indeed, the greatest. That illustrates the importance of power in our country. The great province of Quebec to-day is a considerable industrial centre, and its importance in this respect is due very largely to the great waterways that exists there. Manitoba is in the same position; that province is gradually coming to the front in power development. The same is true in some measure of British Columbia and of the maritime provinces. A few months ago I happened to be at the opening of the Grand falls development in New Brunswick, and there I was struck with the possibilities of that enterprise, which is one of the great power developments in eastern Canada. I make these points only to emphasize the great importance of power to-day It seems to me to be our duty in this House to guard these power rights for the people of the country.

Mr. ARTHURS: Is my hon. friend aware that certain safe-guards already exist in the various supplementary acts relating to this scheme?

Mr. MANION: Of Ontario?

Mr. ARTHURS: No, acts passed by the Dominion parliament with regard to the various renewals of the charter.

Mr. MANION: No, I am not aware of that. My reading of the charter gives to the company very considerable rights with regard to the development of power on the Ottawa river. Of course, if ultimately it should turn out that they have no rights given them in the charter, I presume they would not object to having any supposed rights withdrawn. There would be no objection to their being confirmed in the right to build the canal, because I do not think they have any intention of building it anyway. My hon. friend the senior member for Halifax (Mr. Black) asks, how can the canal pay in competition with other waterways? I certainly do not believe the canal would pay without the power rights; it seems to me that the power development is what the company is after. It has been disputed that there is enough water to construct any large canals on the Ottawa river. I do not wish to be unfair; I am sure my hon. friend from Nipissing (Mr. Lapierre) has the facts ready to give the House, and I will admit that the government engineers who some years ago were asked to investigate the feasibility of the Georgian bay canal did state that they could develop a canal with a depth of twenty-two feet.

Mr. LAPIERRE: That has been generally accepted all over the country.

Mr. MANION: I am not disputing that in any way. I wish to read again section 44, because there is an item in this clause which, if this charter is renewed, gives this company a dangerous power. I will have to read the whole clause to get the sense of it, but it is very short:

> If the construction of the canals hereby authorized to be constructed, or some of them, is not commenced and fifty thousand dollars are not expended thereon within two years after the passing of this act, or if the said canals are not finished and put in operation within eight years after the passing of this act, then the powers granted by this act shall cease and be null and void as respects so much of the said canals and works hereby authorized as then remains uncompleted.

As one of my hon. friends says that last sentence is the joker in this charter. That might give this company the right to build a great power scheme developing one million horse-power or even more on the Ottawa river; it would give them the right at the same time to start the construction of a canal within the eight years, or within the nine years, since I notice that in the charter now presented nine years has been made the limit, and if at the end of that time the government decided that this company was not going to carry out the building of that canal which was originally proposed in the charter, the government would be able to step in and say, "You apparently are not going to build a canal, and must stop any future development." But in that nine years this company might gobble up practically all the power which could be developed on the Ottawa river. Therefore that is another very strong reason, it seems to me, why we should hesitate to grant this charter as it now stands, and confer these powers upon this company.

Mr. LAPIERRE: May I ask the hon. gentleman a question? Is he aware that there is a clause in that charter which allows the government to take over the work at any time?

Mr. MANION: Yes, and I am going to read that clause later, but I am going to suggest that now is the time to take it over; nothing has been done in thirty-three years, and I think before anything is started is a good time to take it over.

Then there is another question which was brought up by Mr. Howard Ferguson, Premier of Ontario, with which no doubt he as a lawyer will be very much more familiar than I, because some of us in this House are not lawyers. That point has to do with the legal rights. Mr. Ferguson has pointed out, and it has been so stated by other lawyers, that at present it is an understood legal fact that the power rights are in the hands of the provinces and that the navigation rights are in the hands of the Dominion. I do not believe any one will dispute the latter statement, and on the other hand it can probably be proved before the courts that the power rights are in the hands of the provinces. If that is the case, we should make sure that that right remains with the provinces, and we should not take the risk of having a lawsuit on our hands by giving those rights to outsiders. In other words, this company might be given the right to build a canal, although I doubt very much if they will ever do so, but the provinces of Ontario and Quebec should retain their right to develop this power. When this question goes to committee, that point will be for the committee to decide.

I have a great deal of sympathy for my hon. friend from Nipissing and I also have sympathy for other hon. members who represent constituencies along the Ottawa river; in fact I have a little sympathy for myself, because the Ottawa and Georgian bay canal has been mooted in my part of the country for many years. But in reply to the arguments which I know the hon. member for Nipissing will later put on Hansard, I would say that he is really losing nothing for his constituency if this charter is not granted, because after all there is very little chance that this canal will ever be built even if this charter is granted; otherwise I might support him. Therefore he would simply be avoiding the danger of not having this canal developed until it is carried on later, probably by the government of our country.

Just to show the danger which such a charter suggests, I am going to quote for a moment from the Montreal Star of Thursday, March 3, 1927. In glancing over the news items in the Star I saw an advertisement which struck my eye. It was inserted by The Great Lakes and Atlantic Canal and Power Company, Limited, and gave notice to the people of Canada that they are going to apply to the parliament of Canada at this session for a charter in which they ask for exactly the same rights on the St. Lawrence river between Montreal and Kingston as is asked for in the charter under consideration on the Ottawa river between Montreal and lake Nipissing. So if we grant the application of this Ottawa and Georgian Bay Canal Company to go on with this work, there is no reason in the world why we should not grant the charter which is going to be requested by this other company. I have no idea who are the people represented by Mr. Harris, who signed this advertisement as secretary of the company, but without knowing who they are I say now that the proposition should be turned down just as I believe the charter now under consideration ought to be refused by this House.

I believe the St. Lawrence canal system will ultimately be developed; on that river to-day between Montreal and Kingston are some canals which are 260 feet long and which will allow the passage of a boat of 44 foot beam and 14 foot depth, but I believe that in the near future, using those words from a national standpoint rather than in their ordinary sense, the government will be able to begin the construction of canals which will permit larger boats to pass from the head of the lakes to Montreal, and possibly to cross

the ocean. Even to-day there are boats which come across the Atlantic and proceed to the head of the lakes. As a boy, thirty years ago, I can remember a fairly large Norwegian boat, something over 240 feet in length, which came to the head of the lakes with a cargo from Norway and returned there with another cargo, and during navigation there are some small ships utilizing these canals on the St. Lawrence river. I believe that in the near future these canals will be enlarged in association with the development of the Welland canal, and that the grain of the hon. member for Melfort (Mr. McLean) and of the farmers of the House and their friends, instead of being carried to Port Colborne or Buffalo or Georgian bay ports, will go direct to Montreal where it will be transhipped to ocean going boats, and will be carried across the ocean with a saving to them of anywhere from five to ten cents a bushel. On the Welland canal we have already spent over $75,000,000, and ultimately our expenditure there will reach $110,000,000. Eighteen states of the union have declared themselves in favour of the development of the St. Lawrence river to a depth of 25 or 30 feet; these states have a population of 40,000,000 people, and are tributory to the great lakes. Herbert Hoover, Julius Barnes, the International Joint Commission and various other public bodies and public men in the United States have recently come out strongly in favour of the canalization of the St. Lawrence river. There is also on the St. Lawrence river some 4,000,000 horse power of potential electric energy to be developed, while on the Georgian Bay canal I believe there is something over 1,000,000 horse power. The estimated cost of developing the St. Lawrence canals, including the cost of the power scheme, is something like $252,000,000, and it has been recommended by the International Joint Commission that to this the cost of the Welland canal of which I spoke a moment ago should be added, and that the total should be divided between the two countries in proportion to the benefits received. In other words, if that were done and if the St. Lawrence canal scheme were carried through, the Dominion of Canada would not have very much to pay because of our vast expenditure in connection with the Welland canal. New York and Buffalo and some other centres which are opposing the canalization of the St. Lawrence will be to my mind ultimately defeated; they may delay the building of these canals but they cannot stop it. I submit that that canal would benefit not only the prairie provinces, by the lower rates on grain, but it would also benefit the city of Montreal. I do not believe, and in this I am supported by the opinions of shipping men, that ships would go across the ocean; they would transfer their cargoes at the port of Montreal or at some maritime port, and those cargoes would only undergo one transhipment instead of two or three, as is now the case.

To a certain extent the same argument would apply to the Montreal, Ottawa and Georgian bay canal scheme if it were carried through. At the same time there is little chance of the canal feature of this project being proceeded with. I am pointing out merely the advantage, the ultimate advantage to Canada, of the other canals which I have no doubt will be built long before the Ottawa and Georgian bay canal and which will also put the maritime provinces in a more advantageous position in regard to the amount of coal which they could ship to the central parts of Canada. We imported last year from seventeen to eighteen million tons of coal, and of this amount some twelve million tons I think, of bituminous coal, most of which, or a large proportion of it, was used in the province of Ontario. The maritime provinces cannot reach the province of Ontario at the present time with their coal because of the high cost of shipment from the port of Montreal west. But with the St. Lawrence canals deepened, as I think they will be deepened, the maritime provinces should be able to supply a large amount of the coal which is now being used in Ontario and other sections of Canada and which is being purchased from foreign countries.

Now, Mr. Speaker, I do not believe that this project should be given to a private corporation to develop; I believe it should be developed by this government. I believe that our waterways should remain in the hands of the government, and not be handed over to private corporations. In other words—and I have pretty nearly finished the argument I wish to make—I believe that both of these charters should be refused by this House; ultimately I believe they will be refused. I have noticed editorials in the Toronto Mail, Conservative; in the Toronto Globe, Liberal, and in the Ottawa Journal and Ottawa Citizen, of opposite sides of politics; and in the Montreal Gazette of this morning, all taking the same attitude, and all opposed to the granting of this charter. Mr. Ferguson, the Conservative Premier of Ontario, has come out and opposed it and he was supported in that attitude, as he is very rarely supported, by Mr. Raney. I believe that Mr. Sinclair will probably, although he has not announced himself so far as I know, take the same attitude as Mr. Ferguson and Mr. Raney. In other

words there is almost a unanimity of desire to refuse to grant to these private people the right to develop electrical power and to develop the canal system on the Ottawa river. There will be no injustice, it seems to me, in cancelling this right at the present time. I have already read to you section 44 of the company's charter. May I also read section 43, which is as follows:

Her Majesty—

This was in the original charter and it is still in the charter.

—her heirs and successors, may at any time assume the possession and property of the said canals and works, and of all the rights and privileges and advantages of the company, all of which shall after such assumption be vested in Her Majesty, her heirs and successors, on giving to the company one week's notice thereof and on paying to the company the value of the same, to be fixed by three arbitrators or the majority of them—

This is still a part of the charter which the company originally received. They had eight years originally, they have had in all thirty-three years to do something toward the development of this right, and they have done nothing. Therefore, I submit, there would be no injustice to them if you took from them any further rights they possess, giving them, of course, whatever compensation they might be entitled to by justice and by right.

I believe, Sir, that now is the best time to stop any further interference with the canal system, with the waterway system, of our country. I believe it is the duty of this parliament to take that step, and to refuse in the future to any company the right to take possession of our waterways. In the second place I believe it is the duty of this parliament to protect the waterways and electrical powers of our country for the benefit of the people of Canada.

Mr. H. A. STEWART (Leeds): I wish to deal briefly with this very important measure. I think we are all indebted to the hon. member for Argenteuil (Sir George Perley) for having, at this stage, brought to our attention the very far reaching character of the proposed measure, and while in ordinary cases a private bill does not meet with very much opposition or very much discussion at the present stage, nevertheless this bill, while appearing as a private bill is really a public bill, and is of such great importance that we are entitled to deal with it fully on the present occasion. My reason for discussing this bill is because of its relation to two of our problems, first, transportation, and secondly our industrial development as it is affected by hydro electric power. This fact emphasizes the importance of the measure. We have heard a great deal about our transportation system and our transportation difficulties, and much has been done in the last few years looking toward the solution of those difficulties, and also a great deal has been accomplished in the promotion of our industrial growth through the development of hydro electric power.

The senior member for Ottawa (Mr. Chevrier) who has the bill in charge rather thought that its discussion at this stage was in the nature of opposition to the measure. But bearing in mind the importance of the bill I do not think that is a fair contention. I think it might just as well be contended that the hon. member was perhaps endeavouring to rush the bill through committee as that we were endeavouring to obstruct it. What does this bill really propose to do? It relates to a charter that is thirty-three years old, to a charter granted in the year 1894, for the construction of a canal—or perhaps more correctly speaking a series of canals—on the Ottawa river. That charter, as has been said, has been renewed thirteen times. One would have thought that the company had had ample time to go ahead and undertake this work if it ever intended to do so. This great lapse of time should arrest and command the attention of the House. It makes it our duty to look into the situation now and compare it to the situation that existed thirty-three years ago. The situation, as has already been pointed out, is an altogether different one. We must look upon the matter as conditions exist to-day rather than as they existed thirty-three years ago.

A careful reading of the charter makes it perfectly plain that the main object was the construction of this canal or series of canals, and that the development of hydraulic or electric power was only incidental to the main undertaking. The charter provided that the company that constructed the canal should have the right to charge toll. Now I think it is absolutely sound to contend that all waterways, all canals of this character, should be built, owned and operated by the Dominion itself. That is the policy which we have been following in Canada with such success, and in pursuance of which we have made such enormous expenditures of money. The construction of the canal at an earlier period would have been much more feasible than at the present time except for the power question. The cost of construction thirty-three years ago and down until the time of the war would have been much less than it is now. We must assume that the company

have made reasonable efforts to carry out the privileges, the opportunities, which this charter has granted them. Yet in this long period of thirty-three years they have not been able to finance the matter, to construct the canal, nor to do anything practical to show that the proposition is one that can be carried out.

As I have said, conditions have changed entirely and perhaps there has been no greater change than in connection with our canals. Since this charter has been granted we have enlarged the Soo canal; we have enlarged the St. Lawrence canal; we have undertaken the construction of the Welland canal, and surely all this work that has been carried out and that is in progress must have an effect upon the transportation question and upon the route which the grain will take. All these must operate to the detriment and disadvantage of the proposed Montreal, Ottawa and Georgian bay canal.

Before we engage in any further canal construction we should see how these improvements will work out and what effect they will have upon the transportation of our grain and commerce generally. We also have the fact that the Panama canal has been constructed and is exercising a considerable influence upon the movement of grain. The Hudson bay railway is under construction, and if this route is of any value at all, if it is practicable, it will have an effect and will divert traffic which might in the beginning have been expected to find its way by this proposed canal.

While there has been this very striking change in the canal situation, there has been an equally striking and important change in connection with the power situation. In the period of thirty-three years the whole hydro-electric system of Ontario and of the adjoining province of Quebec has grown up and has assumed an influence and place, the importance of which we can scarcely over-estimate, in the industrial development of those two provinces. We must consider this proposition in the light of this feature and if this charter is renewed, this company, while acquiring the right to construct the canal and to levy tolls as against free canals—and this in itself appears to be an unsound proposition—will have in its control the development of 1,000,000 or 1,125,000 horse-power. Not only Ontario and Quebec, but the whole Dominion of Canada is vitally interested in this proposition. I cannot think of anything that touches our life at more vital points than the development of hydro-electric power. It has much to do with our industrial development; it has a great deal to do with transportation on our railway systems; it will have much to do in solving our immigration problem, and is therefore one of the most important features of our industrial life to-day. Is it right or proper that by a side wind, as it were, we should hand over to this company, when such was not in contemplation in the original transaction, the control, the disposition of 1,000,000 horse-power? Such a proposition is so unreasonable, so contradictory to the public welfare, that it ought not to be entertained for a moment.

When we are asked to give this company a fourteenth renewal of its charter, surely the promoters of this bill must make out a very clear case. They must be compelled to show that it is in the public interest that this renewal should be granted at this time. Let us see what the effect of the renewal will be apart from what I have already stated. Supposing the company does nothing as it has done nothing for thirty-three years, the effect of inaction will be to tie up this 1,000,000 horse-power for eight or ten years longer and also to tie up the development of the canal system on this river. This surely was not contemplated and it cannot be favourably contemplated at the present time.

The next question which arises is this: Have we any jurisdiction to grant to this company the rights for which they are asking? It is admitted, of course, that this parliament is supreme in the matter of navigation; but we have had several decisions with respect to the rights of the provinces to surplus waters, the lands under the waters and the riparian rights, and I think I am safe in saying that there is at least very grave doubt whether the Dominion of Canada has any right to grant to a company the use of surplus waters or the right to develop hydro-electric power. The rights of the two provinces interested must be recognized. We should not do anything that will delay the possibility of their carrying out legitimate developments along these lines. We should not, with our eyes open as it were, do anything that will lead to conflict, to litigation, with these provinces, and surely if this charter is renewed we may expect that to be the result. Ontario is hungering for the development of hydro-electric power, and the two sources from which we are looking for this development in eastern Ontario are the Ottawa river and the St. Lawrence river. An obstacle has been placed in the way of development on the Ottawa river by the action of this parliament in granting this charter, and we think the time has now come when that obstacle can be removed, when at least it should not be continued, and

when Ontario and Quebec, each being equally interested in this power, should be free to go ahead and make this development.

On the St. Lawrence river there are complications of a different character, but action again on the part of this government is necessary before we can get any relief. Let me as a representative of one of the constituencies of eastern Ontario urge this government to take every action possible for the early removal of these obstacles and for the coöperation which is necessary with the provinces for the development of hydro-electric power on these two streams. Let me suggest also to the government that perhaps this is an opportune time to clean up the Chicago water steal. Our friends in the United States are very anxious to enter into some arrangement for the development of hydro-electric power on the St. Lawrence, and it would be only fair and right to say to them that before we will enter into an agreement on this question we must have a complete clean-up and settlement in connection with the Chicago water steal.

This is not a party question and should not be. It is not a question of one or two provinces against the rest of the Dominion, but a matter in which we are all interested and for which we wish to find the best possible solution in the public interest. In support of my contention, I refer to two editorials in the Toronto Globe, the first appearing on March 2, 1927, from which I will quote a couple of paragraphs. The article is headed The Georgian Bay Canal, and reads:

> This is the measure which would have been endorsed in principle last week had it not been for the interference of Sir George Perley. It will come before the House again, and it will bear watching. The existence of this charter and of the vague hope that the canal will be built prejudices discussion of St. Lawrence development plans. If the canal were constructed and operated under the charter, a system of toll charges would be permitted, while tolls on all other canals in Canada have been abolished. Most serious of all, however, would be the handicap under which the development of negotiations of hydro would be placed along the route involved.
>
> In the public interest Parliament can hardly take this charter seriously any longer. The company has not even filed with the government working plans which have met with approval. Thirty-three years has been a long enough time to toy with a valuable public franchise.

Then, in the same paper, a very able editoral headed The Bill Should be Killed deals with the matter more exhaustively, and I quote from that editorial, as follows:

> When the charter was granted in 1894 the advantages of public ownership were not fully understood. Conditions are different to-day. The importance of water-power is appreciated. The people of the Ottawa valley and of all the territory contiguous to these rivers will profit immeasurably if they are given the full benefit of the "white coal" which now awaits development in that part of the country. If this power is permitted to become the property of private interests they will pay dearly for its use, while under public ownership they will have it in perpetuity at cost. It is their duty, no less than that of the rest of the province, to see that this advantage is retained.
>
> The building of a canal and the exploitation of power are two distinct matters. If the company wants to build a canal, this should not confuse the more immediate and more important question of power. It would be serious enough to give a private corporation the right to own and control what will be in time, no doubt, an important navigation channel, but to alienate from the public 1,000,000 or more horse-power of current for the purpose of public exploitation and to enter into competition with public ownership is something which this Province cannot tolerate.

So that we have the two objections. To sum it up, we have the objection that the canal should not be constructed by a company with the right to charge tolls, and the other objection that the immense power possibilities should not be handed over to any private company. I wish to make a few suggestions in connection with this matter, which I hope will commend themselves to the House. I submit that we should decline to renew this charter, and that the government should pronounce against any such renewal. In the second place, I think we should divorce—perhaps that is a good term—the canal proposition from the power proposition. We grant many divorces in this parliament and I think such a divorce would be more deserving than many that we do grant. The construction of the canal should be undertaken as a public work at the public cost, and the power proposition should be developed by the two provinces and the Dominion jointly. The share of the power to which the province of Ontario is entitled going to the Hydro-Electric Power Commission, and the share which the province of Quebec is entitled to going as that province may direct. Let us construct the canal as a public work, and let us divide the power. At present it would appear that the three jurisdictions have, as it were, a blocking right in connection with this development. This government may, in its jurisdiction with respect to navigation, obstruct the provinces from undertaking development, and the provinces may also obstruct the Dominion, a right which they undoubtedly have, which will prove very embarrassing. So that it seems to me that the Dominion and the two prov-

inces should get together, that they should decide not to renew this charter, that they should agree upon a plan for the development of power that will not interfere with navigation, and if, in connection with the development of power, some portion of the cost should be paid for improvement in navigation, then a contribution in this direction should be made. All three, the Dominion, the province of Ontario, and the province of Quebec are equally interested on behalf of the public and in the public interest, and it should not be hard for the three authorities to get together and arrive at some solution which would be fair to these people who hold the charter. They have held this charter for thirty-three years. It has been renewed, and I would make them a reasonable and fair compensation for any work they have undertaken, as provided in the charter itself.

Mr. ARTHURS: Has there been any opportunity for this company to commence operations under the act? As I understand it, the Dominion government must approve of their plan before they could possibly start operations.

Mr. STEWART (Leeds): As I understand it, they have never filed any plan calling for approval.

Mr. CHEVRIER: The plans were all filed and were submitted in 1926.

Mr. STEWART (Leeds): Surely, after a period of thirty-three years, they have had ample opportunity to file plans. I am told now that the plans were not filed until 1926.

Mr. ARTHURS: May I state that in the meantime, the Dominion government has spent about a million dollars on a survey of this proposition, the plans of which were accepted.

Mr. STEWART (Leeds): I hope they will spend a lot more money investigating before they hand this charter over to any private company again. I think I have dealt with this matter from the standpoint of our duty, and from the standpoint of the public interest, as it is represented by this House and by the provinces. As for myself, I am opposed to the renewal of this charter and I hope action will be taken to remove every obstacle that remains in the way of the development of this enormous block of power by these two provinces in the public interest.

Mr. E. A. LAPIERRE (Nipissing): Mr. Speaker, it had not been my intention to speak at any length on this occasion, but as there has been considerable discussion and as the subject matter of this bill means much to us in northern Ontario, for on the construction of the proposed canal depends our future industrial development, and we have waited patiently for it for 30 years, I am going to ask the indulgence of the House while I treat this subject from the standpoint of the people in northern Ontario.

As has been repeatedly said, this project has been before the House for at least 33 years, and for 14 years its promoters have secured renewals of their charter. In 1921 and again in 1924 renewals were granted without any objection. In northern Ontario we do not look upon this as merely a power project. To us it is a project of national importance, for not only is the province of Ontario interested in its realization, but it is of vital interest to the farmers of the prairie provinces and to the coal miners in Nova Scotia. So great is the interest in northern Ontario and so consistently have the people there advocated the construction of this canal, that I propose to read a few telegrams that I have received from different parts of the province:

North Bay, February 25, 1927.

North Bay heartily endorses renewal of Georgian bay canal charter for immediate construction. Canada needs this undertaking at once, if spoken optimism for the future is to be realized.

D. BARKER, Mayor.

North Bay, February 24, 1927.

North Bay Board of Trade endorse bill for renewal of charter of Georgian bay canal on understanding that company will proceed with work immediately.

H. H. CHARLTON, Secretary.

Toronto, Ont., Feb. 24, 1927.

Heartily endorse granting renewal of charter for construction of Georgian bay canal.

THEO. LEGAULT.
A. V. WATTERS.

Englehart, February 24, 1927.

This community endorses renewal of Georgian bay canal charter and immediate construction by private interests.

J. CLARK, Acting Mayor.

Renfrew, February 24, 1927.

We endorse renewal of Georgian bay canal charter, work to commence at once.

C. McD. LOGAN, Mayor Renfrew.

Mattawa, February 24, 1927.

Mattawa is one hundred per cent behind you re construction of Georgian bay canal. We would impress upon you the wish that a portion of the first expenditure he made here.

JOHN LINDSAY, Mattawa.
Mayor.

Pembroke, February 24, 1927.

Have received telegram from Mayor, North Bay asking town to endorse renewal of Georgian bay canal charter. Holding special meet-

ing town council to-night to deal with it. Please wire information that might assist us to arrive at decision.

J. P. DUFF. Mayor.

Cobalt, February 24, 1927.

Will strongly support your effort to secure renewal of charter for the Georgian bay canal.

FRANK LENDRUM, Mayor.

Parry Sound, February 24, 1927.

Parry Sound desires renewal of Georgian bay and French river ship canal.

JAMES LUDGATE.

Callander, February 24, 1927.

Callander and township of North Himsworth consider that the very life and future mercantile prosperity of the dominion depends on the construction of the Georgian bay canal. We see that the country has entered upon an era where route capable of floating oceangoing cargo vessels should be constructed at once. No other canal can be feasible. Therefore we heartily endorse the renewal of Georgian bay canal charter.

G. K. MORRISON,
Reeve Township North Himsworth.

Callander, February 24, 1927.

Township of East Ferris feels that the construction of the Georgian bay canal at once will be of great value to northern Ontario, and the Dominion. We heartily endorse the renewal of the Georgian bay canal charter.

JOHN DUFRESNE,
Reeve, East Ferris.

Cochrane, February 24, 1927.

Town of Cochrane heartily endorses Georgian bay canal charter.

F. C. IVEY, Mayor.

Pembroke, February 25, 1927.

At special meeting of council held last evening the following resolutions were unanimously passed:

Moved by Mr. Taylor seconded by Mr. Brook that a committee composed of Mayor Duff, Dr. M. McKay, D. A. Jones, M. F. Fellowes, W. H. Williams, J. D. L. Leitch, T. H. Moffatt, Dr. Cotnam, Alexander Stuart, M.P.P. and the mover be appointed for the purpose of calling a public meeting to discuss the Georgian bay canal and that this committee arrange to have some outside speakers, the council to pay any expense incurred by this meeting, and the mayor to be chairman.

D. W. BLAKELY, Clerk.

Mr. IRVINE: Does not my hon. friend think that if the gentlemen who sent these telegrams had been anxious to have this canal constructed they would have sent their messages fifteen, five, or even two years ago to the holders of the charter? Is it not late to send them now?

Mr. LAPIERRE: I am speaking for the people of northern Ontario. They have been desirous of having this canal built for 30 years. In 1923 a very large and influential delegation waited on Sir Lomer Gouin, then acting Prime Minister during the absence of Mr. Mackenzie King, and also on the Minister of Public Works, Mr. King. At that meeting representatives from every part of northern Ontario secured from the federal government an undertaking to expend $200,000 to retain the water levels in order to develop water-power on the French river.

Mr. STEWART (Leeds): Does not the hon. gentleman think that those who have sent these telegrams and those for whom he is speaking would be well satisfied if the canal were constructed as a public work and free from tolls?

Mr. LAPIERRE: The popular opinion in the northern country is that you cannot separate the power from the canal scheme, and that if you are ever going to have a canal it will have to be constructed along the lines laid down by the company that is asking for the renewal of the charter to-day. I will come to that a little later.

Mr. CAMPBELL: Might I be permitted to ask the hon. member a question? Does he really think that this company ever intends to build the proposed canal if the charter is extended?

Mr. LAPIERRE: I have information along those lines, and I hope to be able to satisfy the hon. gentleman before I resume my seat. I was trying to demonstrate the opinion of northern Ontario regarding the construction of the canal, and to show why the feeling prevails that if we are ever to have this Georgian bay ship canal, which, as I pointed out before, means more to northern Ontario than any other national work that could be undertaken, we must have it constructed by a company such as the concern which is now requesting an extension of the charter. It was stated the first night of the debate by the hon. member for Argenteuil (Sir George Perley) that the original members of the company had largely disappeared, and that in fact no provisional directors were mentioned in the application for the renewal of the charter. Let me inform the hon. gentleman that in 1905 the company reorganized with a subscription of $10,000,000 in stock of which $1,000,000 was paid up. This dispensed with the necessity for having provisional directors. It was also said that Sir Robert Perks and his group were no longer behind the charter, being unable to finance the construction of the canal. Further, the hon. member for Fort William (Mr. Manion) alleged that the charter, having been carried by Sir Robert Perks for many years, was

finally handed over to other parties when Sir Robert got tired of it. I have in my hand two cablegrams which I wish to read in answer to the statements made by hon. gentlemen:

London. Winfield Sifton, Chateau Laurier.

Perley incorrect stating as reported to-days London Times that English company failed obtain money construction. Whole canal capital was twice offered government by responsible parties one at three per cent in 1901 and again in 1910 at three and a half per cent.

Perks.

Sir GEORGE PERLEY: Was that capital not offered solely on the understanding that there would be a federal guarantee?

Mr. LAPIERRE: Naturally. I will come to that later.

Sir GEORGE PERLEY: It is easy to get capital if the government guarantees.

Mr. LAPIERRE: I want to quote another cablegram:

London, February 28, Winfield Sifton, Chateau Laurier, Ottawa. Sir George Perley is quite mistaken. All English shareholders including myself retain as much financial interest as ever. British shareholders sincerely trust Canadian parliament will not refuse renew charter especially now when company have stated intention immediately construct Ottawa-Montreal section.

Perks.

As I said before, this subject has been treated merely from the standpoint of power development.

Mr. GARLAND (Bow River): Will the hon. member inform the House of the extent of the commitments to which he has referred?

Mr. LAPIERRE: I will come to that in a moment. We regard the question as one of transportation. Northern Ontario has become one of the largest wealth producing sections of that province. As so ably demonstrated by my hon. friend from Fort William a few days ago, northern Ontario is now one of the largest and most promising mining fields in the world. We have produced in that district within the last twenty-five years over nine hundred million dollars' worth of minerals. In the section in which I live we have produced over 85 per cent of the world's nickel, while throughout the north country, in all that great pre-Cambrian shield which blankets the whole of northern Ontario, there exists one of the greatest stores of Mother Nature's wealth, of which we have scratched only 5 per cent. This part of Canada has contributed more during the last fifteen years to the industrial development of older Ontario, to the development of the industrial centres of the province, to the trade of Toronto and many other cities, than any other factor in the commercial life of the province. To-day that section of the country, producing immense wealth, finds itself on the eve of seeing concluded a project which will mean a greater development than it has ever known. It means the canalization of the Ottawa river which will link us up with the great lakes and with the lower ports of the St. Lawrence. By the plans which were deposited with the government a few years ago, construction will take place a little above the confluence of the Mattawa and the Ottawa rivers which will render the great lakes navigable right into the mining country of Ontario, bringing Haileybury, New Liskeard and Ville-Marie, as seaports, into direct communication with the various ports of Canada.

This is the great scheme that has agitated northern Ontario for the last twenty-five years and it is to-day so near realization that the people are anxious to see it carried to a successful conclusion. What is the opposition to this scheme? We heard no opposition to the construction of the Georgian bay ship canal until there was a move to control the Carillon water-power. Now we find considerable opposition developing. On the upper Ottawa the agents and engineers of the International Paper Company have men investigating the great water-powers, and in a few days we shall see two or three great dams built on the upper waters of the Ottawa which will actually control 1,000,000 horsepower. This will come into the possession of a private corporation, as happened on the Gatineau. We in Ontario who have waited for the development of the northern country know that if we are to have a Georgian bay ship canal we must secure it through the means of power development. It must be carried by power, and any other scheme projected or suggested will not meet the requirements of the northern section of that province nor give the transportation facilities to which that part of the Dominion is entitled.

What are the promises of the company on which we base our hopes for an early construction of the canal? I have before me a part of the brief which has been discussed. We know very well that it became very difficult after the close of the war to obtain cheap money. As was stated by the hon. member for Argenteuil, Sir Robert Perks came to this House year after year, for many years, and attempted to obtain the assistance necessary to carry out a national undertaking of this importance. But to-day in view of this im-

provement and in view of the increased value of water-power, the holders of this charter find that if they are permitted to have the charter extended for two years more they can give northern Ontario these transportation facilities which have long been promised. Here is what they propose to do. Upon the granting of this charter they will immediately start the construction of that section of the canal from Montreal to Ottawa. This will take about three years and will produce 219,000 horse-power at Carillon and 4,100 horse-power at Ste. Anne's. This would give continuous navigation as far up the river as the city of Ottawa, and would make Ottawa a port; it would complete 120 miles out of a total of 440 miles, or 27 per cent of the whole project; the cost will be about $55,000,000, all of which will be new money spent in Canada and which constitutes roughly 20 per cent of the total cost of the project. Completion of this section will extend continuous navigation up the Ottawa river from salt water to above Arnprior. The next section, section 2, will take two years to complete; it will produce 158,000 horse-power, will be 54 miles in length or about 12 per cent of the total mileage and will cost about $40,000,000, or roughly 14 per cent of the total cost.

Mr. GARLAND (Bow River): What is the hon. member referring to?

Mr. LAPIERRE: This is the brief of the charter company. These details can all be discussed in committee. At the end of five years a total of 174 miles will have been constructed at a cost of $95,000,000, or 24 per cent of the complete project in mileage and 34 per cent in money. Now, Mr. Speaker, we in northern Ontario who have waited patiently all these years feel that under the circumstances this government will be perfectly justified in extending this charter for another two or three years; we have already waited 30 years, during which no objections have been made to this power proposition. The situation as it is to-day would mean that the granting of separate power rights on the upper Ottawa river would remove the possibility of a canal for all time, and that accounts in a very large measure for the numerous telegrams I have received and for the anxiety which exists in the north country over this enterprise. According to the plans which are now on deposit with the government, an expenditure of $282,000,000 within the next ten years is called for, and under this charter the provincial rights are reserved. But we find ourselves in this position, that whilst the power development will be available for the government of Ontario, we have in the province of Quebec a government which is opposed to government ownership, which means that this water-power development will eventually come into the hands of one company, creating another great power monopoly on the Ottawa river and leaving the owners of remaining timber limits at the mercy of this corporation. That is what we in northern Ontario envisage in this situation.

The feasibility of the canal has long been conceded, and the plans have been before this government for a number of years. The engineering difficulties which were numerous in the early days of survey have entirely disappeared, and there is no longer any fear that these difficulties will be encountered. Furthermore, I would warn my friends from Montreal that the scheme which no doubt the large power corporations are going to put into effect on the waters of the upper Ottawa river will make a tremendous difference in the water levels of the St. Lawrence river. All engineers will tell you that under the modern system of constructing dams, where large areas of low lying lands are flooded and large bodies of water are exposed to evaporation, you will have a continual reduction in the water level, and that is what will happen if the waters of the upper Ottawa are dammed in order to create large units of electrical power. On the other hand, if you allow this canal scheme to be carried on along the lines called for by the plans, in order to maintain navigation it becomes necessary that you retain the water level at 24 feet. The plans as they exist to-day call for a canal 24 feet deep from the Georgian bay to Montreal, capable of accommodating the largest ships sailing the great lakes. It will be the most economical route for the shipment of grain, and this is a question which has been discussed before. All of our Progressive friends are familiar with the transportation costs on grain, but we know that once this canal is opened there will be a very great diversion of the grain now carried by the way of Buffalo; the route will be shorter by several hundred miles; it will be entirely within Canadian territory and absolutely under the control of the Dominion government, and grain will be carried for at least three cents a bushel less than it is carried to-day.

Now let us consider the situation in northern Ontario, where we use tremendous quantities of coal in our mines. There is a continuous demand for coal in northern Ontario, because most of our ores have to be treated. We are at present importing into the town of North Bay alone over 980,000

tons of bituminous coal and the saving on that coal alone if it were transported by water would be over $1,250,000. Just think for a moment what it means to that part of Ontario if the French river development is completed; North Bay, now a city with a population of 15,000, would be a centre of water navigation. To-day North Bay is the front door of this great northern country; it is gradually becoming a great commercial centre but until we have more power in order to attract industries, we must for a number of years remain at a standstill. We have an excellent proof of that in the fact that a few years ago the International Nickel Company, for want of electric power, was forced to go to Port Colborne and erect its smelters there. A few years ago also the British American Nickel Company, which has spent over $25,000,000 in the development of the Murray mine at Sudbury, was compelled to erect its refineries at a point within a few miles of Ottawa, where it could get large quantities of hydraulic and electric power at a very low figure. Now, Sir, within the last few years, near one of the largest nickel deposits in the world, a discovery has been made of lead and zinc and we are told to-day —in fact I have the figures here—by those interested in the enterprise that they have already blocked out 43,000,000 tons of these valuable minerals, possessing a value of $22 a ton. Here we are the centre of a mining industry producing some of the richest ores known to mineral science—which attract high salaried men of the most expert class, which brings skilled metallurgists and engineers who are the most advanced in their knowledge of the development of our ores—and yet we find these ores being carried miles away from where they are mined, creating new centres of industry elsewhere because we have not the water-power or electric power with which to treat them. That is the situation which exists in our northern country to-day. We up there are in favour of this project as it stands because we look upon it as our only salvation, if we are ever to establish industries in addition to those of farming and mining. At the present moment in the district of Sudbury we have developed all the available water-power, amounting to some 37,500 horse-power, which is being used by the nickel industry and by the pulp and paper industry, and we have practically exhausted all the electric power procurable. But what we lack can be made up by the construction of the Georgian bay ship canal. It would also help to solve our coal problem. Ships on the great lakes could carry grain to the maritime provinces, and bring back Nova Scotia coal at a rate that would make its transportation possible, and thus help a great deal to develop our fuel problem.

I have not entered into a discussion of the legal phase of the question, I leave that to those who are better posted on that aspect of the matter than I am. But I want to make it clear to hon. gentlemen that the people of northern Ontario, the red-blooded pioneers who have helped to develop that northern country, have their eyes focused on this question. This is a great national undertaking which has been promised to us by each succeeding government. I remember hearing Sir Wilfrid Laurier state in the city of Montreal many years ago, that when once the Grand Trunk Pacific had been completed the next great national undertaking upon which this country would have to embark would be the construction of the Georgian bay ship canal. Nothing has transpired, except perhaps the desire of certain groups to secure possession of these water-powers, which should be allowed to interfere with the granting of this charter and the undertaking and completion of a great national project.

On Mr. Ross (Kingston) and Mr. Heaps rising to speak at the same moment:

Mr. SPEAKER: The hon. member for Kingston. I wish to state out of courtesy to the hon. member for North Winnipeg (Mr. Heaps), that I have before me a long list of speakers and that I am following the old rule of alternating between the speakers of different parties or groups in the House.

Mr. A. E. ROSS (Kingston City): At the outset let me assure the last speaker, the good people of northern Ontario, and all others who are interested in the Georgian bay canal, that I for one have no objection to its construction. So far as I am concerned I am in great sympathy with all my hon. friend has said concerning new or northern Ontario. We all recognise the vast resources of that great country, and we in the older parts of the province would be the last people in the world to place any obstacle in the way of its development.

One would be very foolish at this stage of our civilization to deny the importance of canalization, or to deny that water-borne transportation is not the cheapest means of transportation at the present day. All the essential factors have demonstrated the truth of that proposition. Therefore I am interested in schemes of canalization in this country, but I am also interested in seeing that the development shall proceed along proper lines.

In regard to the present scheme, I wish to say that there are three principal questions to be discussed: first, the attitude of the government or the state towards canalization: second, the importance of the power factor: third, the legal aspect of the case. The first and very important question, that of the attitude of the government towards the canalization of any or all sections of the country is an interesting one. History has proven that very rarely has any country handed over to private corporations or private companies the development of its canal system. Canal systems existed in the days of the Pharaohs and even before that time. Ever since 7000 B.C. we have evidence of the existence of canal systems. There was the canal of Babylon, built about 1700 B.C. and renewed by Nebuchadnezzar in 600 B.C. The present Suez canal had a predecessor which lasted from 600 B.C. down to 760 A.D The Romans built canals and I want to point out the fact that all ancient systems of canals were state built and state maintained. Coming down now to European systems we find that the Dutch built the great Amsterdam canal, in fact the whole of Holland is a network of canals comprising some 2,408 miles. These canals are all built and maintained by the state and no tolls are collected. Belgium, perhaps, has reached the highest state of perfection in canal development. She has seven or eight very important canals with a total length of 1,345 miles. All these canals are state owned and state maintained and are free of tolls. France has 3,030 miles of canals of which 2,860 are state owned and free of all tolls. In fact no tolls have been collected in that country since 1888. Germany has had a canal system since 1700. She has connected all her commercially stategic points by canals, but the fact is important that they have been built by the state and are free of tolls to the public. It is well known that German industrial life owes its great importance and development to the splendid system of canalization that exists in that country, and yet, not satisfied with that, Germany has developed a splendid system of canals for purely military purposes.

Russia under Peter the Great started her canal system connecting St. Petersburg with the Caspian sea, with the Artic sea, and in all cases these canals are state-owned, state-maintained and free from tolls. Austria-Hungary had 1,700 miles of a state-owned canal system. Going through this historical section of canal development we come to Great Britain and we find she is the only country with privately-owned canals. The railways own one-third of her canal systems. There is this significant fact that Great Britain was not so intensely interested as other countries were in building canals. The Thames and the Severn have a great watershed and this supply of water gave these rivers freer means of navigation than we find in other countries. As a matter of fact canals built by Great Britain have not done so much towards developing industrial life as have canals in other countries. The greatest canal in Great Britain is the Manchester ship canal and it really had its beginning in a privately-owned canal. Its beginning was due to the fact that the Duke of Bridgewater wanted to connect his collieries with Manchester, and from that beginning the local people became interested in building a ship canal with the idea of connecting Manchester with the coast, and avoiding the obstructions at Liverpool, dues and so on. It was due more to the interest of those local people, large interests around Manchester, Salford and other big cities in that district, that this canal has been the success it has. But the mere fact that many of these canals were undertaken by private companies is no argument for privately-owned canals, the private interests were driven to construct them, but many fell into the possession of the railway companies who put on such high tolls that the canal development and water transportation could not be made use of, and that the railroads received a greater amount of transportation than the canals, offsets any argument in this case in favour of the construction of canals by privately-owned companies.

This brings us from Europe to the United States, and their experience is very interesting. Shortly after the war of the American Revolution there arose a movement to connect New York with the great lakes. That began when two private companies were formed, one to build a canal to connect with lake Champlain and the other to build a canal to connect with lake Erie. The company that was to build a canal to connect with lake Champlain failed. The other company built about six miles of internal canals and that was as far as it went until a commission, with Governor Clinton at its head, was appointed by the state of New York. This commission kept at work for many years until finally the Erie canal was built from Buffalo to New York. We are told that on the opening of that canal a great celebration was held over the arrival at New York of the first boat from Buffalo. A famous picture called the Marriage of Waters has been painted of that event. Two bottles of water were taken from lake Erie and one was emptied into the

Atlantic at Sandy Hook. At that celebration some very enthusiastic United States citizen conceived the idea of collecting water from rivers and navigable streams all over the world and these were also brought there and emptied. What I want to point out in connection with this historical section is the fact that in nearly all these cases the canals were built by the state, state-owned, state-maintained and free from tolls. So far as I know and can read, the only privately-owned ones in America have been failures. The Delaware and Hudson Company in the early days built a canal 108 miles long, but that canal has gone into the scrap heap. Those canals that have remained, that have been in any way a success, have been state-owned, state- maintained and free from tolls.

Let us judge the application for this charter by that historical fact. This is a company which wants to build a canal which, if built, will no doubt be of great benefit to this country, will help to develop it, will help in transportation in every way; but this company is going back to the old system of tolls, and I can assure the House that this system, in competition with railway transportation, will be a failure just as the canals about Liverpool have been.

Mr. McPHERSON: Does the hon. member know of any canal in the United States, England, Belgium or Germany that was developing power at the same time?

Mr. ROSS (Kingston): I do not know. I have divided my remarks into three subjects and I am coming to the subject of power. Canalization is the important factor. If canalization is not an important factor, then power is the only factor and I will deal with that as my second subject. I want to point out that if this canal is built to be used for transportation purposes and tolls are charged, it will be a failure.

I come to the second point which is that of power. I have been asked: Do I know of any canal that has been built combining power development with water transportation? I say no and I do not know where there ever was such a situation as will arise in this case. I do not think the power development on this Georgian bay canal will enable the canal to be completed. It was pointed out in this House to-day that the scheme in the past was a failure because government guarantees were not behind it. What is behind this is the power scheme, the question of deriving revenue from the power development, and before I am through with this second section I want to show that this will also hardly be possible.

Coming to the second factor in the granting of this charter, the development of power: This is a very pertinent question to the province of Ontario. It affects the people and the municipalities of Ontario in a very peculiar way. About the year 1900 the people of Ontario were seized with the great possibilities of the development of their industrial life. We had, as the last speaker said, great natural resources in mining, forestry and agriculture, but the one drawback to the development of these was the fuel situation. We felt that we were prevented from attaining our ideal through want of fuel. Looking for a solution of this difficulty, the citizens in various parts of the provinces began to study the possibilities of power on our many rivers, principally on the Niagara river. The possible replacement of power for fuel which we had to bring into this country appealed very strongly to the citizens of Toronto. I am in perfect accord with the last speaker that if by this means we can bring in fuel, then we are all willing to assist in the best possible way to supply it. From 1900 events quickly followed in the development of the scheme of power to replace fuel. In 1900 a committee of the Toronto board of trade made a report on the subject of hydro-electric power from the Niagara river. The large towns and cities, even the rural municipalities, quickly became imbued with the desire to reach some solution of the question and to bring about an increase in power. The matter became the subject of meetings, the subject of press comments and reference on the hustings, but no means of action was possible. No matter how much these citizens of Ontario would talk on this question, or how much it was discussed in the public press, there was no way of taking action to institute such a scheme, until in 1903 the legislature of Ontario passed an act providing means for the appointment of a commission to interest itself in the scheme and to harmonize the different ideas of the municipalities. The plan was to investigate the question of supply and distribution of hydro-electric power, and such municipalities as desired could form themselves into groups and take the matter up. The first commission was formed by the municipalities of Toronto, London, Brantford, Stratford, Woodstock, Ingersoll and Guelph, known as the Ontario Power Commission. Its report gave data on the resources of power from coal, gas, oil and water. In 1906 this report was published, but before the information it contained became very generally known throughout the province, action had already been taken, because in that same year, 1906, the legislature of Ontario

passed an act for the creation of the Hydro Electric Power Commission of Ontario. At first this commission was to receive appeals and requests from the different municipalities, but it soon became no longer a board of harmony. The demand became so great that it became a board of go-getters of power of Ontario. It became a central body representative of the municipality and acting on their behalf. In 1908 this commission made its first purchase of power—100,000 horse-power—from the Ontario Power Company of Niagara. The commission then began its first active work in the transmission of this power, and I would like now to refer to the efforts of the commission, first to solve the fuel problem, second to make available a supply of power, and third to transmit that power to the people of Ontario.

In 1910 the company started to distribute this power, having completed its transmission line, and still the demand grew. In 1915 that 100,000 horse-power was exhausted. In 1915 and 1916 it had to purchase an additional supply of 50,000 horse-power from the Ontario Power Company, and 25,000 horse-power from the Toronto Power Company. A new stage in its growth was now reached, when the supply from the privately owned companies failed or became exhausted. In 1917 the hydro-electric commission had to purchase the Ontario Power company, and in 1919 it increased the output from 160,000 horse-power to 200,000 horse-power. In 1920 the commission purchased the Toronto Power Company with its output of 125,000 horse-power. And so, with lightning speed, this commission has gone on from growth to growth, and almost every morning, in the words of a famous British statesman, one had to inquire what new development had taken place. Its last and greatest development, when all power from privately owned companies and from all possible rivers which were open to them were exhausted, was the Queenston-Chippawa proposition, which has developed 600,000 horse-power on the Niagara river. This was a scheme practically of turning a river and making it run in the opposite direction; because our allowance of power on the Niagara was exhausted. In addition to this, the commission has generated power on the Severn, at Wasdell's and the Eugenia falls and practically surrounded two-thirds of this province with its power scheme. In addition to that, they have taken all the power they could gather from privately owned plants on the Ottawa, the Rideau, in the Muskoka district, the St. Lawrence, and the Nipissing, and distributed it to the municipalities.

[Mr. A. E. Ross.]

I now wish to give a few figures to further show the usefulness and service of this great commission. In 1910 the commission distributed 1,000 horse-power to a number of municipalities in Ontario. In 1914 they had supplied 77,000 horse-power, in 1920, 356,000 horse-power, and in 1923, 650,000 horse-power, and to-day it supplies to the people of Ontario, 900,000 horse-power. The demand has come from factories, from farms, for lighting for the streets, for the roadways, from all parts and all sections of this country. The transmission line of this commission extends over 3,000 miles. The distribution of power varies from one mile to 250 miles, the greatest distance of distribution which is accomplished by the transmission of Niagara power to the city of Windsor. The commission is under contract to develop power at cost to the municipalities, which in turn distribute to its citizens at cost. In this way the hydro-electric commission is supplying 226 municipalities in the province of Ontario. The total assets of the commission amout to $250,000,000, and it supplies a population of 1,000,000. In the face of these facts, is there any reason for the granting of a charter to a private company for the development of power on the Georgian bay canal? My argument is this: That the citizens of Ontario have taken upon themselves the development of this great hydro-electric power, its assets are all owned by the municipalities and the province of Ontario; that it was undertaken at a time when there was a great need, a great hunger for power in this province; that at this very day that hunger has not been satisfied by any means, and that the commission is ready to develop on the Ottawa, on the St. Lawrence or on any other river where power is available if it is not checked and obstructed by legislation of this kind. Undoubtedly, by extending this charter the Dominion government would be doing a grave injustice to the people of Ontario and their public-owned hydro-electric undertaking.

The province of Ontario or the province of Quebec must supply the demand for power which would be available but for this charter, and consequently by renewing it we are virtually enabling a private company to enter into competition with or obstruct a people-owned scheme of hydro-electric power. It has been suggested to-day that Ontario and Quebec could not coöperate in this matter because while Ontario has developed a public-owned power system, the sister province has encouraged privately-owned projects for the generation of power. I cannot see that this of itself is any serious objection. I have no doubt that the two provinces can reach a

common agreement for the development of the power on the Ottawa river. Certainly there is not the slightest excuse for leaving this development in the hands of a private company that in the course of 33 years has made no attempt to cater to the transportation needs of the people of Ontario and Quebec. Had this company made any effort to serve the people along this line there might be some reason for renewing the charter. The ostensible purpose of the charter is to build a canal, but nothing having been done in this direction since the granting of the charter, it is not unreasonable to assume that the promoters of the bill are more concerned now with the power features of the project. Once the charter is renewed they will be placed in a position to compete with a publicly-owned system in which the people of Ontario have invested two hundred and fifty million dollars, and which is serving over a million of the population of the province with light and power. Obviously it would be most unfair to submit that undertaking to such obstruction.

I have tried to show that canal development of the world has been altogether along the lines of state ownership. This of itself is a further argument against granting a renewal of the charter rights of the company to construct a canal, which undoubtedly would in any event be merely incidental to the development of power along the course of the canal, and, as I have already said, this would be grossly unfair to the Hydro Electric Commission of Ontario, which is ready and willing to still further serve the needs of the people in the way of power and light. Therefore, Mr. Speaker, I submit that it would be a great mistake to put that publicly-owned scheme in competition with a private company by granting a renewal of this charter.

I think it will be generally agreed that in the past we have made mistakes in our transportation undertakings, both water and rail, and in the development of our harbours and rivers. I think the day is at hand when the government should appoint a permanent board of engineers to survey the whole dominion and report from time to time as to what harbours and rivers should be developed, and what canals should be built in the public interest. In a word, we should lay down a definite policy in dealing with our canals, railways, harbours and rivers, so that a system economical and efficient might be built up. We all know that the United States made many mistakes in canal building. I need only refer to one with which we are all more or less familiar—the Erie canal. On its completion there came demands for lateral and other canals, many of which were not needed, and, although they were undertaken, most of them became failures. We do not want to repeat our neighbour's mistakes. In support of my proposal that the government should appoint a board of engineers to deal with our canal and cognate problems, I may point to the board constituted by the government to report on the feasibility of the deepening of the St. Lawrence river. The board that I suggest the government should appoint could deal with our system of canals, and incidentally they could investigate the water-powers available in connection with any canalization projects, and report their findings to the government, which in turn, of course, would place them on the table of the House for the information of members.

I think we are at a stage of our national development that would warrant perhaps further canalization, but lest we repeat our Welland canal mistake, I think we should be guided by expert advice. I should like to have some report from a strong board of engineers on the feasibility of this canal and whether within say, three, six or nine years it will be constructed and in operation. I know no other country except China that has waited so long for a canal. China started a canal to connect her capital with the coast, but it was not completed for 600 years. If we are to trust to the company which is asking for a renewal of this charter, I fear even the Chinese record will be broken. Before the charter is renewed the government should come to the House and say, "We are satisfied and will take the responsibility of recommending its renewal."

Not being a lawyer, I shall not deal with the legal question, but the government must assume the responsibility of assuring this House that they are ready to meet the case of the province of Ontario. Very strong statements have been made by Premier Ferguson that provincial power rights in the Ottawa river will be upheld in the courts. Therefore, hon. members of this House who come from all over the dominion look to the government for advice. The government should be our advisers as to how we should vote—or at least, they should give us some advice.

Some hon. MEMBERS: Hear, hear!

Mr. ROSS (Kingston): I am waiting to see if the government will give us any advice.

Mr. MALCOLM: Will you take it?

Mr. ROSS (Kingston): In the past their advice has been ninety per cent wrong, but in this instance they might perhaps be correct, and I would be able to support them. They

certainly should make an effort to give us advice, or should seek some sound legal opinion, to guide members from all parts of the Dominion in their votes on this very important question.

Mr. A. A. HEAPS (North Winnipeg): I trust the hon. member for Ottawa (Mr. Chevrier) will not charge me with indulging in reprehensible tactics if I venture to discuss the subject before the House. I am a comparatively new member and I still have a great deal to learn with respect to matters of rule and procedure, but it seems to me a somewhat unusual situation to have such an important measure as this introduced into this House, a measure involving so many varied interests, without receiving any information from the sponsor of the bill as to what its purpose is. I had hoped when the bill was introduced by the senior hon. member for Ottawa that we might have been given some information as to what is contained in the measure itself. Personally, not being a member of the legal profession, I find it very difficult indeed to fathom the provisions of the bill as presented to the House. It has been contended by those in favour of the bill—as a matter of fact, so far, only one hon. member has spoken in support of it—that if it passes the House the people of northern Ontario will have the canal built for them forthwith. I presume that if I had been a member of this House thirty years ago, listening to the original promoters of this undertaking, I should have heard them say exactly the same thing as was said this afternoon by the hon. member for Nipissing (Mr. Lapierre). That is always the view put forward in this House by promoters seeking charters, and I for one am opposed to this parliament giving charters of this kind, particularly where so much is involved as is the case in the bill now before us. It is almost a third of a century since the charter was originally granted, and on thirteen occasions it has been renewed. I cannot therefore see the force of the argument advanced by the sponsor of the bill for British fair play in allowing the bill to go before the special committee previous to its discussion in this House. It seems to me that the promotors have had a good deal of British fair play in having this charter renewed thirteen or fourteen times, and now that they come to the House for another renewal I for one do not feel disposed to grant it unless good reasons can be advanced for so doing. So far we have had no reasons at all, except such as were given this afternoon in the address of the hon. member for Nipissing, an address which can be answered in a very few moments. That hon. gentleman dealt almost exclusively with the construction of the canal. If these people who are seeking a renewal of the charter would confine the charter solely to the building of the Georgian bay canal, I do not think they would experience that difficulty in getting the bill through the House which they are having at the present time, notwithstanding the fact that there are many members of this House who are committed to the principle of having canals owned and operated by the government rather than by private interests. I think it is almost too late in the day for people to ask this House to give them the right to levy tolls on ships which are to pass through canals built in this Dominion. Allowing private companies to develop such public utilities is entirely contrary to the past policy of governments of whatever party they may be composed. To me, however, the main principle involved in this bill, and which I feel bound to oppose, is the granting to a private corporation the right to own and control almost one and a quarter million horse-power on the Ottawa river. When the charter was originally granted there was no idea then of the value of electrical energy, but since then a tremendous development in this direction has taken place. Science has made enormous strides, so that what was impossible only five or ten years ago is practicable to-day. For instance, there was a time when long distance transmission as we now have it was almost impossible. To-day we transmit electrical energy over a distance of 100 miles with comparatively little loss in energy. I find in to-day's newspaper a small item which in my opinion has considerable significance in relation to this particular charter. I believe that these falls are situated about 300 miles from the large centres of population in Ontario. At present it would be almost impossible from an engineering standpoint to transmit that electrical energy over that distance, but, as I say, science is making rapid progress, and I myself expect to see in the next few years such an evolution in electrical engineering as will render possible the transmission of power from Georgian bay to the city of Toronto. In this morning's Ottawa Citizen I find this despatch by the Canadian Press:

Toronto, Ont. March 5.—A New York despatch to the Mail and Empire says: A new invention which makes possible the economical transmission of power from distant waterfalls and will soon permit scattered districts and farms, almost anywhere in the country to be supplied with power, was announced to-day by W. S. Rugg, vice-president in charge of engineering of the Westinghouse Electric and Manufacturing Company. Mr. Rugg said the

invention by Frank G. Baum, hydro-electrical engineer, of San Francisco, was a complete solution of the problem of economical transmission of power over long distances.

With the imminent solution of the problem of transmitting electrical energy over long distances one can visualize the tremendous importance of the water-powers on the Ottawa river, when there is a million and a quarter horse-power there to be developed. Personally I am strongly opposed to this bill, particularly now when I find that the people of Ontario are themselves prepared to proceed with the development of this horse-power if they have an opportunity of doing so.

It seems to me rather strange that there should be hon. gentlemen in this House from the province of Ontario who would rather trust their destinies to people who, on thirteen or fourteen different occasions, have failed them, than to the provincial government who have built and developed one of the finest hydro-electric enterprises to be found anywhere in the universe. If there is in Ontario to-day approximately 600,000 horse-power available for development, the first people who should have an opportunity of using that horse-power are the people of Ontario themselves, and this House of Commons at least should do nothing in this matter before the people of the province have been consulted.

This morning, along with other members, I received a circular from the Ottawa and Georgian Bay Canal Company in which I was rather interested. Unlike many other hon. members, I had no lobbyists here to see me on this particular question and when I received the circular I was interested to know what they had to say about the development of the potential horse-power on the Ottawa river. Yet in a three-page circular sent out by the company not a word is said about this power development; the circular is confined to the canal. It is somewhat strange that they should so completely ignore the power aspect of this enterprise and emphasize the future activities of the canal. It is my candid opinion that even if the charter is granted the people of northern Ontario will never have a canal if they depend on this company. There is a question, however, as to whether they are going to get something if the charter is not granted and the power rights are handed over to the people of Ontario. Personally I believe the Dominion government to be fairly well committed on this point, and in that connection I wish to read one or two extracts from Hansard from a debate which took place last year. The House will remember that last session the hon. member for Winnipeg North Centre (Mr. Woodsworth) moved a resolution which read as follows:

> That, in the opinion of this House, measures should be taken to regain for the use of the people the coal mines and water-powers which are now being exploited in the interest of private corporations rather than for the needs of the people.

The Minister of the Interior (Mr. Stewart) was very sympathetic to this resolution and so expressed himself in the following words:

> The provincial governments, with the exception of the three prairie provinces, own and control their forest wealth. In my attempt to get uniformity of action I found a great deal of suspicion abroad in the minds of the provincial authorities, and I admit that the feeling is sometimes too prevalent that there is a desire on the part of the federal authorities to interfere with provincial rights.

The same thing would also apply to power rights, and the minister said further:

> One of the first difficulties is that under the Act of Confederation those public utilities which are mentioned in the resolution remain under the control of the provincial government.

If the speech of the hon. gentleman is read through several references will be found to show that the control and practically the ownership of these water rights are absolutely under the jurisdiction of the provinces. Consequently when the question of the development of this water-power is considered, I do not think this House has the absolute right to give away something which is admitted by many to be entirely within the jurisdiction of the provinces.

To go a point further, I find that in Ontario the Hydro Electric Commission has developed approximately 800,000 horse-power at an approximate cost of $240,000,000, and I think that when the people of Ontario have shown so much initiative in this development and when they have spent so much money in developing this tremendous asset, in giving lower rates than can be obtained in any other part of the continent, this House should not lightly pass a bill giving a private company the right to develop almost an equal quantity of electrical energy. There is admittedly a shortage of power in Ontario; the provincial government wants more power developed. If we look at the record of the speeches made when a resolution dealing with the shortage of power in Ontario was introduced by the hon. member for Toronto Northwest (Mr. Church) and seconded by Mr. Maclean, who was then a member of the House, we will find further references by ministers of the crown to the right of Ontario to control and own whatever water-power may be developed in the province.

I think we should have a pronouncement on this question by the government; I think the matter too important to put the responsibility on one private member. In view of their past statements I do not think the government should altogether leave the responsibility to the House; I think they should take a stand on this question and let us know their decision. When the people of the largest province in Canada are applying themselves to the development of their water-powers, with all political parties united, I do not think this parliament can honestly give those powers away to any private corporation. Therefore I think the government should say where they stand on this question, and I hope they are in favour of giving to the people of Ontario that which belongs to them.

In the development of some of its public-owned utilities Canada has one of its greatest assets. Just the other day in this House the hon. member for St. Antoine (Mr. Bell), in speaking on the budget, made a most pathetic plea on behalf of a private corporation, the Montreal Light, Heat and Power Company, and at this juncture I would like to say a few words in connection with what was then said. His plea was that this poor company which is conferring such vast benefits upon the people of Montreal—and which incidentally earns such huge dividends—should be relieved of the payment of income tax amounting to approximately $750,000 yearly. In the remarks of the hon. member we find the difference between those who favour public ownership and those who believe in private ownership. The hon. member who spoke for the company probably thought the company could pay larger dividends if this income tax were not paid, as in the case of a publicly owned utility. We find that in Ontario they give a rate as low as can be found in the world, and this is in my opinion one of the greatest assets to our manufacturers. In Ontario I believe electrical energy can be bought for industrial purposes at three-quarters of a cent per kilowatt hour, while in the city of Winnipeg under our municipally-owned hydro-electric system electrical energy is sold for industrial purposes for as little as two-fifths of a cent per kilowatt hour. That is almost below the cost of production, but with the large off-peak load which exists there, we have been able to make that tremendous concession to consumers of large blocks of electrical energy. The other night the hon. member for Argenteuil (Sir George Perley) stated that the electrical heating of our homes would soon become possible through the further development of electrical energy. He was not looking very far ahead, because I can tell the House that at the present time electric heating is being done in the city of Winnipeg to a very large extent. I desire to mention these facts, Mr. Speaker, because it shows the great potential value of the power development with which the House is dealing at present. In Winnipeg we have a central heating system owned and controlled by the city, which was put in as an adjunct to a stand-by plant which is necessary to our hydro-electric system. During certain months of the year this central heating system does not consume one ounce of coal; the off-peak electric power is developed into steam through electrically heated boilers and by a high pressure system the steam is put through the mains and the larger portion of the business section of Winnipeg is heated in that way. During probably two or three months of the year, therefore, no coal at all is used to heat the central business portion of Winnipeg. Consequently the statement made here by the hon. member for Argenteuil that this is something not likely to happen in the years to come is met by the assertion that it is an accomplished fact so far as one city on this continent is concerned, and the example of that city will probably be copied by others. I am satisfied that before very long Toronto will establish a stand-by plant in connection with its own hydro-electric system, and when it does there is nothing more economical it can do than to combine that stand-by plant with a central heating system. We shall probably see in the near future a large portion of the central part of Toronto heated by the off-peak load of its hydro-electric system the same as is done in the city of Winnipeg.

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

Mr. HEAPS: Mr. Speaker, just before recess I was dealing with a question that was raised by the hon. member for Argenteuil (Sir George Perley) who had visualized the utilization of electrical energy for heating purposes. I had dealt for a few moments with the fact that in the city of Winnipeg that vision had already become a reality, and that we were now using electrical energy for the development of heat. During the recess I was asked by one or two hon. members to deal for a few moments longer with that particular matter, and without taking up too much of the time of the House, I wish, in

order to satisfy the request made by the hon. gentlemen, to give a few more details in regard to that particular aspect.

In the development of any hydro-electric enterprise there is bound to be a large off-peak load which is like a by-product and is bound to go to waste. I do not think in the Dominion of Canada the average consumption over a twenty-four-hour period exceeds fifty per cent of the total quantity of electrical energy generated, the result being that there is a fifty per cent off-peak load that goes almost entirely to waste. It has always been a problem with electrical engineers how to utilize that waste in hydro-electric development, and in the city of Winnipeg we have come as close as any other city to the utilization of that off-peak load or the by-product of hydro-electric development.

That has been effected in this way. In Winnipeg we were bound by circumstances to erect a stand-by plant for our hydro-electric system. That stand-by plant became necessary, as I believe it will become necessary in all large centres where large quantities of electrical energy are used, owing to the fact that at certain periods of the year cyclonic storms would blow down the transmission lines or there would be a stoppage from other causes, with the result that there would be very little or no hydro-electric energy obtainable in the city to carry on essential public utilities and works in factories such as packing plants and so forth. Hospitals would probably be without electrical energy; elevators in hospitals would be unable to run and so on, and the commercial life of the city would be completely demoralized for the time being. With the creation of a stand-by or auxiliary plant, as some people call it, we are able to give to a large section of the users of hydro-electric energy in Winnipeg a guaranteed twenty-four-hour continuous service.

The erection of such a stand-by plant involves a very large capital outlay as well as a large annual outlay for upkeep. One of the methods used to keep down that expenditure was the creation of a joint utility by combining with the stand-by plant a central heating system whereby the boilers, which are kept in readiness to generate electricity in case of emergency, can be utilized for heating purposes. What we do now is to generate heat through these boilers in the winter time; but in addition to that we have certain electric boilers, which are made in Canada, which were made by Canadian engineers, and the off-peak power which is on tap for many months in the year and for many hours each day finds its way into these electrical boilers. These boilers, which have a capacity of 750 horse-power and are not much larger than one of the desks in this chamber, generate steam which is sold in exactly the same way as steam that is produced by the use of coal. That brings in a large revenue to the city by using hydro-electric energy which otherwise would go to waste.

We have partly solved another problem which I believe is seeking solution in many other parts of the Dominion. More than one hundred of the largest buildings in the centre of Winnipeg are now supplied with heat from a central heating plant, and in the milder winter weather such as we have at the present time and such as they had in Winnipeg during February, not one ounce of coal is used for the creation of heat. The result is that in months where in other cities they have vast volumes of smoke coming out of their chimneys, Winnipeg is almost a smokeless city so that the atmosphere there possesses advantages that are not possessed by other cities. Moreover users of electrical energy in Winnipeg who find it essential to have a twenty-four-hour continuous service receive that by the creation of the stand-by plant which was put into operation, I believe, in 1924. I have endeavoured to make these one or two points clear for the bnefit of hon. members who asked me the question during the recess; otherwise, I had no intention of dealing again with the matter.

Coming back to the direct question of the bill before the House, another objection I have to it is the fact that if the charter is granted to the people who are seeking it there will be established in Ontario something which I believe will not be to the advantage of that province. It would mean for the province a dual system of private ownership and public ownership. Whilst I know that many hon. members will say that competition is a good thing, I believe in monopolies in certain things. I think the control of electric energy should be a monopoly and already in Ontario, the hydro-electric commission have a monopoly practically of this service which they give to the people. I think it would therefore be unfair of parliament to establish another system to enter into competition to a certain extent with the already publicly-owned utility of the province of Ontario. I have no doubt in my own mind that such a corporation should not come into competition, although I have an idea that if the power were granted to them they might hold up this charter and try to bargain with someone who would give them a good price for it. What is

likely to be the result if a charter is granted? I understand that they could tap a region already not tapped by the Ontario Hydro Electric Commission. If they put into operation a hydro-electric system in the province, and then started supplying the people of those areas with electric light and power, I am satisfied that they would have to charge a much larger price than is charged to the people who use the energy of the publicly-owned utility of Ontario.

The hon. member for Nipissing (Mr. Lapierre), when speaking this afternoon, said the canal system would have to be carried by profits of the power operation. I noted that statement when he made it, and I think what he meant was that the promoters of the bill would charge the users of electric energy in the area they would serve, a much larger price than they would ordinarily charge, and would be able to put the canal system into operation by the profits they would make out of the hydro-electric system. I think, Mr. Speaker, that is a very false position for any one in this House to take. There is no canal system in this country which is now being paid for by any auxiliary company. There are no canal tolls in effect at the present time, and it would be a mistake for us to give a company the right, as we would be doing under this charter, to charge more for electric light and power in order that it might be able to subsidize a canal system which it has in contemplation.

Discussing the question of rates brings me again to the point raised by the hon. member for St. Antoine (Mr. Bell) the other night when he was speaking about rates. I think I asked a question in reference to the rates as between a privately-owned corporation and a publicly-owned utility, and he was good enough to reply by quoting from the annual statement of the company in which they said that the average retail rate in the city of Montreal was three and a half cents a kilowatt hour. I think that statement will be found in Hansard. If we take the rate charged in other cities where they have hydro-electric enterprises under public ownership, we see quite a difference. The average retail rate charged in the city of Winnipeg, with which I am familiar, would not be more than two cents a kilowatt hour. Making all allowances, I think the rates charged in Montreal are fully fifty per cent higher than those charged in Winnipeg. I believe, without having before me the actual facts, that the same ratio would apply to Toronto and other large cities. In that same connection, the hon. member was urging that the company known as the Montreal Light, Heat and Power Company should be relieved of its annual income tax payment, amounting to slightly over three quarters of a million dollars; that it was an injustice to the company, and that they ought to be relieved of the payment, on the ground that a publicly-owned utility is not required to pay income tax to the national exchequer. The people of the province of Quebec have a simple way of equalizing matters; all they have to do is to own the utilities, as they do in Ontario; then they will have no tax to pay. That is one way of overcoming the difficulty, if they wish to do it. I do not think they should penalize a public utility because in Quebec they have private ownership. In this particular regard I want to quote a very brief synopsis of the statement made in the annual report of the company. I am quoting from the Financial Times of January 28th, and hon. members will see in what poor circumstances this particular company is. The report says:

> Gross revenue from operations for the year 1926, is $18,907,382, compared with $18,346,806 for the year 1925, and $17,394,091 for the year 1924. A favorable feature is a reduction in operating expenses and taxes during the year.

My hon. friend from St. Antoine is not satisfied with the ordinary tax reduction, but he is willing to give them about three-quarters of a million in addition.

> The former being down at $7,109,918 from $7,349,243, and the latter down at $1,213,028 from $1,274,655, while appropriation for depreciation is up at $1,890,738 from $1,834,880.

But that is not all. I want to give the House a few more figures.

> Net revenue shows a gain of over $800,000, at $8,693,688 as compared with $7,890,026. Respecting the issue during the year of $30,000,000 of bonds is an increase in fixed charges to $1,611,121 from $1,213,650.

And I think we know what these figures are. They are a melon cut for the shareholders.

> Leaving net earnings available for dividends on the 2,041,837 shares of capital stock outstanding at $7,082,567, or the equivalent of $3.47 a share; this compares with net earnings of $6,676,376 for the year 1925, equal to 10.32 per cent. (or $3.44 per share figured on the basis of the recent 3 for 1 split).

I think we all have an idea what is meant by the three for one split, and this corporation split their shares three for one.

> Dividends absorbed the sum of $5,135,041 as compared with $5,119,091 in 1925, and surplus for the year at $1,869,482, compares with $1,537,285.

Now, Mr. Speaker, a public-owned utility does not publish balance sheets of this character, it does not split up shares three to one. Instead of paying cash dividends out of surpluses, the public-owned utility gives its customers reduced rates and better service. Therefore the people of Toronto and Winnipeg and other large centres where these publicly-owned utilities are operating get the benefit of rates which are about fifty per cent lower than those prevailing in, say, Montreal, and probably in other cities throughout the province of Quebec. But the communities where public-owned utilities are operating have a further advantage. Probably there is not a city on the North American continent where on the basis of population as much electricity is used as in Winnipeg. There we try to bring it into the homes of all the people. We try to make the lot of the housewife easier, and in the average household in Winnipeg you will find an electric stove and other equipment, all of which lightens the work of the housewife and improves the conditions of the home. I can say of my own knowledge that private ownership never displayed the initiative that is so conspicuous under public ownership in the city of Winnipeg.

I have another objection to the bill. As a layman, I take it that the bill gives to the company a perpetual franchise. I believe there is a clause somewhere, perhaps in the old bill, which gives to the government the right of expropriation. I have some idea of what expropriation proceedings are, and I can understand how much a private corporation would demand for surrendering a perpetual franchise; the amount required would be staggering. So I cannot for the life of me see why we should give to a private corporation these valuable privileges and at a subsequent period buy them back for millions and millions of dollars. Undoubtedly the safest course will be to see that the promoters do not get a renewal of this franchise, and thus save ourselves the expense of expropriating their franchise at a later period. But I am asked by those who are sponsoring this bill, "Why not send it to the committee and discuss it there?" I do not see the reasonableness of myself and others who are opposed to the bill being required to go before the committee with our objections. I believe it is the safer policy to express my opinion now on the floor of the house and show where I stand, rather than wait until the bill comes back from the committee after having received its second reading.

In dealing with this question I think we ought to take into consideration, Sir, the fact that the legislature of Ontario is to-day discussing this identical question and, according to newspapers, a resolution is to be framed in such a way as to meet the wishes of all parties there—the conservative party, the liberal party, the progressive party and the labour party. They will all unite on a resolution asking this parliament to preserve the rights which belong to the province. In view of this we ought to pause a long time before we do anything which would in any way infringe on the rights of Ontario and give to a private corporation something which really belongs to the people of that province.

It has been argued by those who are promoting this bill that the province of Quebec may give the water-powers on the Ottawa river over to private ownership for development. Well, if the government of Quebec favours private ownership development, that is the business of the people of that province. On the other hand, if the people of Ontario want to develop their share of these water-powers under public ownership, then they ought to be given the opportunity of doing so as part of their hydro-electric system. I believe that within the Liberal party there are quite a number of members who are in favour of the principle of public ownership, particularly those from western Canada. It is only quite recently that at a convention the Liberal party in Manitoba went on record as being in favour of the public ownership and operation of water-powers. I hope the Liberal members representing Manitoba in this house will follow the lead of the provincial party convention and help to uphold the principle of public ownership of utilities not only in Manitoba but in Ontario, for after all what is good in the one province is good in the other. I oppose this bill mainly on the ground that it is a complete violation of the principles of public ownership; further, I oppose it because I believe that the people of Ontario are anxious to retain these water-powers in order to develop them in the interests of the whole province. I believe, Sir, that when the interests of a small group of capitalists—of men who are attempting to exploit the people of Ontario and their rights—are opposing the interests of the people of that province, I as a member of this house must decide in favour of the people of Ontario.

I believe, Mr. Speaker, that this House ought as far as possible to conserve the rights of the people in the development of their natural resources, and when we find that Ontario, through its premier, through the members of its legislature, and through other authorities in a position to speak, has expressed in most

emphatic terms that it would be a great injustice to the people of Ontario if we renewed this franchise, it seems to me that the only course open to us is to see that this bill is not allowed to pass. It has been before the house on fourteen different occasions, and for thirty-three years its promoters have enjoyed the privileges and rights which they now seek to have renewed, but during all that time they have done nothing to carry out the project for which in the first instance the charter was ostensibly granted them. Therefore, Sir, I think we shall be acting in the best interests of the people of Ontario by rejecting this bill and thus allowing the provincial authorities to develop their own natural resources.

Mr. J. T. THORSON (Winnipeg South Centre): Mr. Speaker, I agree with the hon. member for Argenteuil (Sir George Perley) and the hon. member for Fort William (Mr. Manion) that it is highly desirable to have a full discussion of this measure before referring it to the committee. There are two questions involved in the renewal: first, the construction of what is called the Georgian bay canal, and second, the development of the water-power along the route, including the development of the power on the Ottawa river. I do not propose to discuss the various legal questions involved, nor to discuss the respective powers of the Dominion of Canada, on the one hand, and the provinces of Ontario and Quebec on the other. We have courts properly constituted and competent to decide questions of this sort. If Canada has no jurisdiction in the matter of granting this charter, then, I submit, Canada can do itself no harm in granting it. Let us assume that Canada has the power to grant it and let us endeavour to discuss the question from the point of view of the principles involved.

The hon. member for Nipissing (Mr. Lapierre) made it quite clear, in my opinion, that the canal in question cannot be economically constructed or operated except in conjunction with the development of the water-power along the canal route. The two, in my opinion, ought not to be separated. But we should be careful to draw this distinction. The canal cannot be operated as a commercial undertaking without at the same time developing the water-power; but, on the other hand, it is possible to develop the water-power without building the canal. I think that distinction ought to be clearly kept in mind.

I listened with a great deal of interest to the remarks of the hon. member for North Winnipeg (Mr. Heaps). It might be preferable that this whole scheme should be undertaken by the Dominion. I should be inclined personally to favour such a proposal, but I do not believe that such a scheme would be undertaken. Water-power, we are frequently told, is one of our greatest assets and it should be jealously guarded by the people of Canada. But it is not an asset until it is developed. If we have to choose, in the development of our water-power, between Dominion control and private enterprise, then I think the remarks of the hon. member for North Winnipeg are well founded. But if it is not probable—and it does not seem to be probable—that the Dominion will undertake this project as a public ownership scheme, then I think we shall have to choose between two methods of water-power development: on the one hand, a scheme of water-power development that will bring with it cheap transportation and, on the other, a scheme that brings no transportation facilities at all. That point, I think, is worthy of the consideration of the House, and, personally, I should much prefer a scheme of water-power development that carries with it the possibilities of cheap transportation to a scheme that offers no transportation facilities at all.

I quite agree with the various speakers who have pointed out that great care must be taken by the House in transferring water-power sites to private individuals or even to provinces. As I understand it, under the statutes that have been passed, relating to the Georgian bay canal, since the year 1894 when this company was incorporated, the rights of the public are very fully protected. I understand that the Dominion will have complete control over the construction and operation of the canal, over the levying of tolls, and over the sale of water-power. Furthermore, I understand that it is competent for the Dominion to take over the whole scheme at any time. I fully agree with other speakers that our great assets should be adequately safeguarded, and if there are not adequate safeguards provided in the present statutes relating to this corporation, then those safeguards should now be set up as a condition precedent to the renewal of the charter.

Those who are in favour of the Georgian bay canal project point out its many advantages not only to western Canada but to eastern and central Canada as well. The Georgian bay canal will establish a deep waterway from Montreal to Fort William and Port Arthur and it will be an all-Canadian deep waterway. Those who speak in its support say that it will industrialize the whole Ottawa valley. They say that it will increase the development of the port of Montreal and of

all the cities on the lower St. Lawrence. The hon. member for Fort William (Mr. Manion) in his speech this afternoon emphasized the value of the St. Lawrence waterway. So far as I can see, all advantages which he pointed out as accruing from the St. Lawrence waterway scheme will flow from the Georgian bay canal undertaking. In addition the friends of the Georgian bay canal point out that it will provide cheap transportation from the maritime provinces as far west as Fort William. They argue that it will provide cheap transportation for Nova Scotia coal to Ontario, that it will open up the mining area of the latter province, and that it will enable ore to be carried cheaply to Cape Breton where the coal supply is situated.

Mr. WOODSWORTH: What guarantee is there that the canal will be completed for navigation purposes?

Mr. THORSON: I am unable to answer that question. Possibly those who sponsor the bill in this House will give some information in that regard. I am simply at this stage pointing out the advantages which those who favour the scheme suggest.

Mr. CAMPBELL: Is there not lacking in the bill itself that very guarantee that we should require, namely, that the canal will be completed?

Mr. THORSON: On that point I cannot speak with authority. If the scheme has the advantages indicated, then it deserves the careful consideration of the House. Western Canada is particularly interested in the Georgian bay canal project and in this connection I may refer again to the remarks of the member for North Winnipeg. He spoke of the rights of Ontario and of Quebec. As I mentioned at the outset, I do not propose to discuss the legal rights of these two provinces as opposed to the rights of the Dominion at large. If this work is constructed as a canal scheme it will be a national water highway and western Canada will have as much right to it as will the provinces of Ontario and Quebec. It will be a transportation scheme then as well as a power development scheme; to that extent western Canada will be as interested and as vitally concerned as will the provinces of Ontario and Quebec.

Mr. WOODSWORTH: But would the hon. gentleman say by whom the cost of the navigation scheme would be paid?

Mr. THORSON: I think that has already been indicated; it would be paid for by private enterprise and by tolls and by the sale of water-power. I think that is clear.

Mr. LAPIERRE: It would not cost the nation one dollar.

Mr. McMILLAN: Under proper safeguards.

Mr. THORSON: Western Canada is vitally interested in transportation costs. I am told that the Georgian Bay canal route will be shorter than the present all-water route via lake Erie and the St. Lawrence river by almost 300 miles; I am told that it will be shorter in time by 37 hours, and that it will result in a reduction in freight rates of from three to five cents per bushel. Whether or not that is true, and whether or not the construction of the canal will bring those results I cannot say, but if those results are to be obtained western Canada is vitally interested in seeing that the project gets a fair chance. There is also another consideration. At present a great deal of our grain is diverted at Buffalo, and goes down the Erie canal to American ports. If the Georgian Bay canal scheme is a success all of that wheat will go direct through Canada, through the port of Montreal. I think that consideration should be kept in mind.

Those are the advantages which the friends of the proposal bring forward for the consideration of the House. Whether or not the canal will bring about the various results suggested is a different question, and I think the committee will be entitled to receive full particulars on that point. Western Canada, so far as her farmers are concerned, is very sure of her economic position. The farmer of western Canada knows very well that the price of what he has to sell, his exportable grain surplus and the like, is fixed by world conditions.

Mr. CAMPBELL: I would like to ask the hon. gentleman if he can quote a single expression of opinion by anyone representing the farmers of western Canada in favour of this project?

Mr. THORSON: Just allow me to finish my argument, and then repeat your question if you think it in point at that time. The farmer of western Canada realizes that the sale price of what he has to sell cannot be changed by any act of this Dominion; no tariff legislation and no fiscal policy which may be adopted by Canada can increase by one farthing the price of what the farmer has to sell. Therefore the farmer appreciates that if he is to increase his very narrow margin of profit he must do so in one of two ways; he must either have the cost of what he has to buy reduced or he must have his transportation costs reduced; upon these two issues western Canada presents a united front. This Georgian bay canal project does suggest the possibility of a decrease in transportation costs.

We in western Canada fought for a long time for the restoration of our Crowsnest pass railway rates and were finally able to have those rates guaranteed by statute. We have strenuously opposed, and will continue to oppose, any effort to remove that statutory protection which we now possess. So I repeat that western Canada is vitally interested in any project giving promise of a reduction in transportation costs. Those who favour this proposal do suggest that there will be a material advantage to western Canada in the construction of this canal, and, if that is so, I think western Canada would be in favour of a thorough investigation of this proposed measure. I think I speak for a large portion of western Canada in urging that this measure be sent to committee in order that the most full and favourable consideration be given to it.

Mr. CHAPLIN: I would like to ask the hon. gentleman a question. Why is it that he now proposes to support the Georgian bay canal, which will become a competitor of the Hudson Bay railway?

Mr. THORSON: I do not think that question deserves an answer.

Mr. J. G. ROSS (Moose Jaw): In regard to the question asked by the last speaker, I would suggest that if there are other ways than the Georgian bay canal and the Hudson Bay railway by which we can reduce our transportation rates from central Canada to the ocean we want to know about them and to look into them. I agree with the last speaker that this bill should go to committee to be thoroughly discussed; it is of great interest to all of Canada, and particularly to western Canada. One of my hon. friends opposite asked what guarantee we have. I say we should send the bill to committee and put our guarantees in it there.

Mr. WOODSWORTH: I was just asking, in view of the clauses of the bill itself, whether there was any guarantee that this work would be completed.

Mr. ROSS (Moose Jaw): I do not know what guarantees there are in this bill, but when it goes to committee it can there be amended and have proper safeguards placed in it. If the provinces of Ontario and Quebec have certain rights in the water-powers of navigable streams in Canada, those rights should be safeguarded, but I believe that the advantage of any canalization of navigable streams in Canada shou'd be kept for the Dominion as a whole. My hon. friend has said that if the canal is built it will do certain things, and hon. gentlemen opposite ask, "Will they build the canal?" Well, when the bill goes into committee, insert your guarantees and safeguards and provide that if the canal is not built the charter becomes absolutely null and void. My friend has said that this charter has been before the House on fourteen different occasions. They have said that the canal could have been proceeded with. I say that the government of the Dominion never allowed the company to go ahead with the construction of the Georgian bay canal?

Mr. MANION: Why?

Mr. ROSS (Moose Jaw): Because they never approved of the plans put in by the company, and those plans were put in years ago.

Mr. MANION: How many years ago?

Mr. ROSS (Moose Jaw): I believe the first were filed in 1907. In the first place the charter was for a canal of nine feet. Then it was raised in succession to twelve feet, eighteen feet, twenty feet and twenty-two feet, and to-day they are asking for a canal of twenty-four feet. The last plans I believe are with the department but have not yet been o.k.'d by it. Therefore a company could not go ahead and construct the canal until its plans have been o.k.'d by the government. Now my hon. friend (Mr. Thorson) has said that some 300 miles will be cut off the voyage of a ship to Port Arthur and Fort William by the construction of this canal. I believe that is correct. And as freight rates are based to a great extent on the time it takes to carry freight from one point to the other, that fact would naturally make a large saving in the cost of transporting commodities from central or middle western Canada to the ocean ports.

In connection with this point may I read a paragraph from a report issued by the United States Department of Commerce, entitled Great Lakes to Ocean Waterways. The paragraph in question is to this effect:

> For vessel costs a 7,600-ton, dead weight, oil-burning, cargo vessel may be taken for illustrative purposes. The fixed charges and operating costs of such a vessel are approximately $700 a day.

Now if the construction of the Georgian bay canal will cut off thirty-six hours between Montreal and Fort William on the return trip that means 72 hours or three days, or $2,100 on a cargo ship of 7,000 tons, which saving in time will materially reduce the freight rates.

I believe that we should have a full discussion at the present stage of the bill, a full discussion in committee, and a full discussion after the bill gets back to the House,

because if this canal is built it will mean a great deal to the whole of Canada. As my hon. friend from Fort William (Mr. Manion) said this afternoon there would be some eighteen states in the adjoining republic affected by it. The report from which I have quoted gives the names of those states, and as a matter of fact I believe there are more than eighteen of the central and western states in the country to the south affected. In going through the report referred to I found that taking thirty-four of the export commodities and thirty-four of the import commodities of the United States, and if there were a great lakes to ocean waterway large enough to accommodate ships of from six to seven thousand tons, forty-four per cent of the trade of the United States would go out that way, and twenty-five per cent of its imports would enter by the same route.

Mr. MANION: Does the report from which my hon. friend is quoting support the Georgian bay canal?

Mr. ROSS (Moose Jaw): The report says absolutely nothing about it. It was prepared by a committee of gentlemen, most of whom were from the United States, with some representatives from Canada, but they were mainly interested in the St. Lawrence great waterways, or in the Hudson ship canal. As a matter of fact they would not be interested in seeing Canada build a Georgian bay canal at all, because if it were built and in operation, a great deal of the commerce of the United States would come through Canadian ports and Canadian territory, including as I have already said forty-four per cent of their exports. That surely would be a big thing for Canada. We hear our hon. friends opposite every once in a while saying that we are being bled white because our wheat goes through Buffalo. Now if it cost from two to three cents less to carry that grain through the Georgian bay canal than it would via Buffalo, what would happen? All Canadian grain would go through the Georgian bay canal and most of the American grain also. The effect would be to build up cities such as Montreal and Quebec, to build up cities that would compare with New York, Boston, and other United States ports, because they would benefit by the trade of some forty millions of people whereas to-day they are only enjoying the trade of from five to ten million people.

There is one thing in connection with this canal project. My hon. friends opposite are much exercised over the fact that a private corporation is seeking to build the Georgian bay canal.

Mr. MANION: No, we are exercised because they will not build it.

Mr. ROSS (Moose Jaw): Well, provide proper safeguards, and if they will not build the canal take away from them the right to do so.

Mr. MANION: They have had thirty-three years to start it.

Mr. ROSS (Moose Jaw): But remember there is an alternative at the present time, and that I think is what hon. gentlemen opposite are more exercised over than anything else. It is that at the present time, and lapsing on the first of May as in the case of the Montreal, Ottawa and Georgian bay canal charter, there is a lease of the Carillon power on the Ottawa river, not owned by the public but by a company known as the National Hydro-Electric. They are in possession of some horse-power to-day, and if the Georgian bay canal bill is killed then in all probability the National Hydro-Electric will put forward its claim for the use of power at the point referred to. I submit that all power schemes —no matter whether it be the Ottawa and Georgian bay canal or any other enterprise— on navigable rivers in this country should be brought before this House and considered carefully in committee. We should not do what was done a few months ago when the government of the Right Hon. Arthur Meighen gave a lease to the National Hydro-Electric of the Carillon power for, I believe, a term of eighty years at a very small rental. If my information is not correct I should like to be corrected.

Sir GEORGE PERLEY: I think the hon. gentleman is somewhat mistaken as to that. There was an old lease for the development of power down there which was given some ten or fifteen years ago, but which was extended from time to time. An endeavour was made last summer to effect an arrangement between this company, the Hydro Electric of Ontario, and the government of Quebec with respect to this power. The only way in which we can ever hope to get that matter settled and have the power developed is by an arrangement between the two provinces and the Dominion.

Mr. ROSS (Moose Jaw): My understanding is, and I happen to have read the sessional papers which were laid on the table, that this lease was renewed for eighty years. When this government came back into power I understand they cancelled the lease but recognised the old lease up till the first of May this year. Personally I do not believe that this government or any other government should be allowed, by order in council to hand over to

any private concern the water-powers of this country. Therefore any such bill should come before this House, go before the proper committee, be looked into thoroughly and be passed by the House of Commons. That is why I say that this Georgian bay canal charter should go before this committee and if proper safeguards cannot be put into a charter for a private enterprise, we in this House should lay down the principle that neither the government nor anyone else can give away these powers until we have said so.

What will happen if we refuse to renew the Georgian bay canal charter now? If we do not grant the charter, in all probability the canal will never be built, because, as different hon. members have said, it is too costly a proposition if the sale of power is not included. Some people ask: Why should the sale of power help to carry the load? If you hand that power over to any private enterprise which has not built the canal, will it charge the people of this country one cent less than it can get for that power? Not if I know private enterprises in this country. They have never done so yet.

Why are the National Hydro Electric, the International Paper Company, the Montreal power people, worrying about this deal? I think I can give the House one reason. In the charter as it is now before the House and assuredly as it will come out from the committee, there will be certain safeguards. Someone—I think it is the railway commission in the present canal charter—have the right to fix the tolls that shall be charged on the canal and the price that shall be charged for power. The International Paper Company, who have a great deal of horse-power right across the river from where we sit, and the Montreal interests, have nobody at present fixing the price for their power. But if you establish in this country a charter in which is fixed by government control the price that can be charged per horse-power when sold to the consumer, then you fix a price with which these other companies must compete. That competitive price will hold the price of hydro-electric power at the price which the railway commission sets until such time as there is a greater demand for power than can be supplied by the Georgian bay canal proposition and the other power interests. Then let us say that the private corporations will raise their price. Does any one mean to tell me that after the railway commission have gone publicly into the cost of that power and have set their price on that, the consumers of that electricity in this country will stand for private enterprise securing an exorbitant profit out of natural resources which actually belong to us and which are only leased to them? That is one of the chief reasons why our friends from Montreal and some other parts of Canada are opposing this bill.

I want to see this bill go to the committee. I want to see the Dominion of Canada properly safeguarded as regards not only this canal scheme but all canal or power schemes in the future. We cannot to-day tell how far we may go with this thing. There may come a day when our canals will go much farther into the centre of Canada. Some people will ask: How? There are rivers, even the Saskatchewan, that some day may be used. I do not say that the Saskatchewan river will be. That is a far thought. But years ago in this country just after Laurier came into power one of the ministers of the government stated that in a few years there would be a hundred million bushels of wheat grown on the prairies of western Canada and there would be a hundred thousand people in the city of Winnipeg. He was practically laughed out of this House of Commons in 1897. Great things are possible with waterways in this country. If this committee does not see fit to grant a charter to the Georgian Bay Canal Company, they should certainly safeguard us so that nobody will be able to develop the water-power in the Ottawa river and in that territory through which the Georgian bay canal goes for private enterprises, thereby shutting us out from ever having a waterway that, when built, to my mind will be one of the greatest boons to this Dominion of Canada.

Mr. T. H. LENNOX (North York): Mr. Speaker, notwithstanding the fact that I am wholly and unalterably opposed to this bill, I rise to speak with some degree of reluctance. I do this because the gentleman who was my opponent in the recent election is apparently very deeply interested in the passage of this particular bill, and I fear that some of my hon. friends might be so unkind as to suggest that my opposition to the bill is actuated by personal reasons rather than in the interest of the people of this country. I am glad to be able to say that my late opponent, Mr. Sifton, and I are very warm friends, and it is a pleasure for me to say to-night that at the consummation of the campaign we were greater friends than when the campaign commenced. I am quite sure that Mr. Sifton will entertain the same feelings towards me notwithstanding the stand that I take in my remarks to-night.

I listened with a great deal of pleasure to the observations of the hon. member for Nipissing (Mr. Lapierre) and I have no

quarrel whatever with any statement that was made by him. The whole gist of his speech was in favour of the construction of the Georgian bay canal, and I do not suppose there is in this House or out of it anyone who is opposed to the construction of the Georgian bay canal. The hon. gentleman pictured to this House the tremendous benefits which would be derived by the northern part of this province if that canal was constructed. With that I entirely agree, and I sincerely hope that the day may come, perhaps not in the near future, when the Georgian bay canal will be constructed.

I wish to confine my remarks very largely to the bill itself and I promise not to detain the House at any great length. I will not, if possible, repeat what has been said by previous speakers. In the first place I notice that there is no obligation to spend any money before the expiration of three years and that upon the expenditure of $50,000 the company are under no further financial obligation for a period of six years. In other words, under the terms of this bill, if it be adopted, upon payment of $50,000, which will be returned if the canal is not constructed, this company is getting a charter to build the canal and to develop the water-powers for a period of nine years. The company has enjoyed that same option for thirty-three years without the payment of a single dollar. I ask hon. gentlemen here to-night what they think the hon. members who were responsible for the adoption of the bill would have done, how the bill would have been treated by them, if the company had asked for an option for forty-two years upon the payment of $50,000? Thirty-three years have passed in which nothing has been done and as far as we know not a single copper has been expended. Nine years more would bring the period up to forty-two years in which they will have held the option upon the payment of a mere $50,000. If we adopt this bill we endorse that principle. We come necessarily to the conclusion, then, that those members who in 1894 were responsible for the measure would have given an option to these people for forty-two years; and I submit that there was no one in the House or in any other house at the time who would ever think of tying up under those conditions the Ottawa river and these other waters for a period of forty-two years.

Mr. Sifton has stated in the press that it is the intention of his company to build this canal, and on that account he appeals to hon. gentlemen here to support it. I have no doubt that upon every occasion when the promotors of this company appealed to the House for an extension of time, the very same promises and the very same representations were made to hon. members in order to secure their support. Those who are prominently associated with the present company are new members of it, so far as we know. Their names were never associated with the Georgian Bay Canal Company until perhaps within the last year or two. They do not even possess the virtue of having spent a single dollar or made a single effort to carry on the construction of this canal. So that so far as they are concerned they are entitled to no consideration from this House, and I have no hesitation in suggesting that, having purchased an interest in this antiquated charter, shrewd, keen business men such as Mr. Sifton and those associated with him have made provision that if the bill be defeated they will suffer no monetary loss.

The hon. member for Nipissing (Mr. Lapierre) read to the House two cablegrams in which it was stated that Sir Robert Perks and the original applicants or shareholders were still interested in this bill. If that be the case they are entitled to no consideration or sympathy from this House. For thirty-three long years these men—who, the hon. member for Nipissing said, were still associated with and are shareholders of the company—did nothing whatever to construct this canal. Having defaulted on thirteen different occasions over a period of thirty-three years, surely they cannot complain very much if the House now says to them, You have had thirty-three years in which to make at least a start with the construction of the canal; you have done nothing in that period, and you have suffered no injustice. I repeat that certainly no injustice could be done to them in view of their action, or lack of action, during that period.

Here we have a company which has received every possible indulgence from this House. Perhaps in no house of parliament has any company been treated with such generosity and fairness as this company has been treated with respect to the bill now before us. Are we going to encourage applications of this kind from time to time, not only from this particular company but from all companies who are in default? Are we going to put a premium on the company that defaults, that fails to carry out the obligation it undertakes when a bill of this kind is asked for? In my opinion, if the House adopt this bill, it is putting a premium on companies that default.

I said a moment ago that this company had no reason to complain. Whether they are members of the present company or whether they are the original shareholders, they have no reason to complain of the treatment they have received from the different governments during the last thirty-three years. Let us see just for a moment if they have any complaint. The charter was issued in 1894. This is the year 1927, and not a single dollar has been expended by or on behalf of this company during that period. They have done absolutely nothing; they come to us and have to admit that they are no further ahead to-day than they were in 1894, and they ask us, notwithstanding the fact that no development has taken place, that no construction has been made, and that until within the last year no plans or location were filed, to forget that they have failed to carry out the obligations which they assumed when the original bill was passed with its amendments; and they ask us now to give them a further lease of life.

Now, Mr. Speaker, I notice that in the letter from the secretary of the Company which appeared in The Globe a few days ago he tries to explain the cause of the delay and states that in 1907 certain plans were deposited with the department. For the moment let us assume that to be true. The charter was granted in 1894. Not until thirteen years later, in 1907, was the first step taken to carry out the purposes of that charter. That is admitted by the secretary of the company. From 1907 until 1914, the first year of the war, no effort was made to get in touch with the department and file plans. From 1914 to 1918 nothing was done, and there should be no censure for this inaction because those were the years of the war when it would not be expected that such an undertaking would be proceeded with. However, the war concluded in 1918 and nothing was done in the way of filing plans until 1926—a period of eight years was permitted to elapse without any action being taken. The company remained idle, did nothing whatever to give to the people, whom to-day they are so solicitous to serve, the canal which my friend from Nipissing, (Mr. Lapierre) says would be of such benefit to northern Ontario. I cannot understand his being deluded and beguiled by this company any longer. One would think that after a period of thirty-three years without anything being done towards building the canal, the very purpose for which the charter was granted, no man, certainly no member of parliament, could be fooled any longer as to the real intentions of the company. But apparently it does not make any difference to my hon. friend. To my surprise the member for Winnipeg South Centre (Mr. Thorson) is still willing to give credence and support to the professions of the company, notwithstanding what has taken place in the past, although it is true that he appeared rather uncomfortable during the course of his remarks.

As I said, the first move by the company was in 1907, when certain plans were filed with the department. It is significant that that date synchronizes with the creation of the Ontario Hydro Electric Commission. When that commission began to function the company apparently realized that its franchise would become valuable by reason of the development of power along the route of the canal. But let us assume for a moment that the company really intends to build this canal, let us give it the benefit of the doubt, notwithstanding that the original members are still connected with it, notwithstanding the thirteen defaults that have occurred. Assuming that, do hon. gentlemen consider it good business to place in the hands of any private company or group of individuals the water-way along the Ottawa, the French and the other rivers? Can it be argued that it is in the interests of the people that a private company should have control of this canal and should be able in perpetuity to impose tolls for its use? Personally I do not approve of such a course. In the light of present day conditions no one can convince me that the people of this Dominion are in favour of, or will benefit by, placing this water-way in the hands of private individuals.

But, Mr. Speaker, supposing that the original bill with the amendments which have been made to it from time to time were now for the first time being introduced, would any hon. gentleman in this house have the temerity to support the bill? Well, we are practically in that position, and having the opportunity, why not regard this as an original application and deal with it from that standpoint? If hon. members are willing to do that, there is no doubt as to the destiny of this bill.

Going back to 1894, Sir, may I ask, what was then in the minds of the members of this house who were responsible for the adoption of the bill? Was it to build a canal, or was it to develop power, or to do both? I think I can safely say that thirty-three years ago such a thing as the development of power, on any large scale at least, was never within the contemplation of the members of this house or of the people generally. The whole object of the bill must have been to construct a canal. That was thought to be feasible at

the time, and it was not until the Hydro Electric Commission of Ontario began to function that the members of this company, realizing what a valuable franchise they had, began to concentrate their energies upon the development of power. I have no hesitation in saying that the present extension is asked for solely for the purpose of exploiting the waterways of the country for private profit. I may be asked the reason for this statement. I say this, first, because of the very long delay that has taken place since the charter was granted in 1894. Furthermore, there was no obligation in the first bill for the building of the canal under a period of nine years, within which time the company had only to spend $50,000, all of which money might be devoted to the development of power; and if perchance the $50,000 was not expended in connection with the construction of the canal no loss would be sustained by the company, because under the terms of the bill that money would be refunded in case of default

Mr. ADSHEAD: Which bill is that?

Mr. LENNOX: The original bill. I repeat, I have no hesitation in expressing the opinion that the renewal now asked for is for the purpose of exploiting our waterways in order that this company may make money. Mr. Sifton and the gentlemen associated with him are not to blame if they are able once more to hoodwink the majority of the members of parliament. It is perfectly legitimate for them to secure if possible the passage of this bill; they are behind it to make money. But hon. members are here for one purpose amongst others, and that is to protect the public domain against exploitation by private individuals. If therefore the House fails in its duty, we cannot blame my good friend Mr. Harry Sifton if in the end he succeeds in getting the bill through.

Let me read an interview given by Mr. Sifton to the Toronto Star under date January 10, 1927. He says:

> If the government approves the plan of the canal company a start shall have been made to give Canada the Georgian bay canal. The water-powers on the Ottawa river will be developed and available. The immensely expensive and valuable canal will be constructed without the expenditure of one dollar of public money.

Then in reply to a despatch to Ottawa published on the morning of January 21, Mr. Sifton said, after telling about this expensive canal:

> In this connection I would say that in my opinion the profits from the power on the Ottawa river will not pay for the cost of the canal. The great cost of the canal will be a heavy load to the power company which may only be lifted by the completion of the canal from one end to the other, thus giving the company an opportunity to collect tolls.

What does that mean? Mr. Sifton admits that the cost of the construction of the canal is going to be quite excessive. He freely admitis that the profits derived from the water-powers will not be sufficient to pay for that construction and that it will be necessary for a time to collect tolls. Upon the latter part of his statement I am not going to dwell at the moment, but I want to call the attention of the House to the first portion of his remarks. Admittedly the receipts from the development of power will be very large but they will not be sufficient to enable the construction of the canal. It is admitted that from one million to one million five hundred thousand horse-power can be developed on the river. There are at least ten water sites that can be utilized by this or any other water company that wishes to develop power along this route. Just think what these people are asking for: they are asking us to give them the right to develop more potential power than is being generated to-day and used in the province of Ontario; they are asking us to give them, without charge, from one million to one million five hundred thousand horse-power. It may be contended that they will have to build the canal. and the hon. member for Winnipeg North Centre (Mr. Woodsworth) asked the hon. member for Winnipeg South Centre (Mr. Thorson) what guarantee there was that the canal would be built. Let us see what guarantee there is. The hon. member for Winnipeg South Centre was unable to answer the question, but perhaps I may be permitted to do so. I repeat, if this bill passes, we are going to allow this company the right to develop more power than is generated in other parts of Ontario to-day. Is it possible for anyone to estimate the money value of the one million odd horse-power now under the control of the Hydro Electric Commission? Suppose the Ontario government became dissatisfied with public ownership and decided that in the interests of the people of the province it would be well to transfer this enterprise to the management of a corporation. How much money do you think the Ontario government would ask from a private corporation for the horse-power which is being generated in that province at the present time? It would be a fabulous sum beyond conception. It is of such value that no person could begin to estimate what that electric power is worth, but notwithstanding that we are asked to give this company for no consideration at

all a quantity of electrical power which will in time bring in more revenue than is being collected in other portions of Ontario to-day from electric power generated there. This is a serious thing; it is not a question of politics; it is not a question on which we should divide along political lines. It is a business transaction, and if I am able to show before I conclude my remarks that there is no guarantee for the construction of the canal, it must mean that we are giving this corporation electric power which will be worth hundreds of millions of dollars to them in a short time.

If I may digress for just a moment, let us assume that a private company should take over the present hydro-electric system of Ontario; how would it affect the consumer of power in Ontario? At present every consumer receives his power for light and industrial purposes at actual cost, but the moment a private company took hold, if such a thing could happen, what would occur? Not only would the consumer not get his power at cost but he would have to pay the private company at least a legitimate profit. That is exactly the position in which the users of electrical power in eastern Ontario will find themselves if this power is developed by a private company.

Mr. MILLAR: May I ask a question? Is the hon. member equally opposed to granting this privilege to any private concern?

Mr. LENNOX: Yes, very much so, and with your permission I will deal with that very shortly. When my hon. friend asked the question I was pointing out, Mr. Speaker, that if a private individual secured control of the power generated by the Hydro Electric Commission it would increase the cost of that power to the consumer. It is admitted that in order to make money a private corporation must receive more than the actual cost of production, and it follows that if this power is developed by a private company there will be discrimination as between the users of that power in the eastern part of Ontario and those in the western and central parts. Is it fair; can it be justified to place the eastern consumers in that position? Can any reason in this world be advanced for that? Because I live in the eastern part of Ontario and because it is necessary for me to get my power from the Ottawa river, is there any justification for my paying more for that power than the man who lives in the western or central portion of the province? If there is no justification this bill should not pass, because being a private corporation it necessarily follows that power cannot be supplied at cost, and to whatever extent their profit goes the eastern consumer will suffer. But I see that Mr. Victor Sifton, in the Star of February 28, 1927, referred to this question.

Mr. GARLAND (Bow River): I suppose he is of the same family?

Mr. LENNOX: Yes, a brother. In dealing with this question he pointed out that the charter of this company provides that the rates charged for the sale of power and the tolls charged for navigation shall be directly under the supervision of the Board of Railway Commissioners for Canada. That is all very well, but I ask hon. gentlemen now why we should put ourselves in the position of having to go before that railway board in order to fix the price that shall be charged for this electrical power. If an application is made or if any objection is taken to the price charged, what takes place? The company appears before the board and shows the amount of capital invested, the expenses which have been incurred and the cost of carrying on. They have that within themselves; these figures are known only to them and it must necessarily be upon that basis, upon the figures presented to the railway commission, that the railway commission will be forced to name the rate, and no matter what it is they must be allowed a reasonable profit. We give the company the right to develop; we say to them, "You shall have full control of the development of these water-powers along the Ottawa river." If this bill is passed we also say, "You shall charge for the power, but if there is any dispute or if any complaint is made that you are charging too much, you must go to the railway board."

Mr. ROSS (Moose Jaw): May I ask a question? Would they not be in a better position then than they are to-day in regard to the power which they are buying for the Ontario government?

Mr. LENNOX: If my hon. friend will just permit me a moment longer, I will deal with that shortly. I say that the railway board will name the rate upon representations made by this company and whatever that rate may be, whether too large or too small, there is no appeal. As I asked a moment ago, can anyone advance a legitimate reason that will appeal to the people of this Dominion for putting ourselves in that position? What reason is there for it? We do not have to do it. We are in a position now where we can say to these people: We will not renew your charter. The moment we do that it will be

quite unnecessary to trouble the railway board to fix the rates. My hon. friend from Moose Jaw (Mr. Ross) asked if that was not more favourable than the conditions as they exist at present? Well, I am speaking for the province of Ontario and I am glad to say that by reason of the policy enunciated in 1906 by the late Sir James Whitney there is no necessity to go before the railway board to fix any rates for the consumers of Ontario. My hon. friend asks if it is not better to have them fixed. How in the world is it better to do that, when the law in Ontario provides that the Ontario Hydro Commission must supply electric power to the consumer at actual cost.

Mr. ROSS (Moose Jaw): My hon. friend did not understand me correctly. The Ontario Hydro Electric Commission is to-day, I believe, buying power from the Gatineau Power Company or the concern that controls the Gatineau power. Can my hon. friend tell me how they will fix the rates at cost there?

Mr. LENNOX: My hon. friend asks me how they will fix the rate there. Let me point out to him that the hydro policy was first inaugurated in 1906. Though it is a public ownership scheme it was found at that time necessary to purchase or lease the first 100,000 horse-power. The commission have the power either to purchase or to develop. They purchased that amount of horse-power, and that was the nucleus of public ownership with respect to power in the province of Ontario. My hon. friend asks what guarantee there is that they will get power at cost from the National hydro. I am glad my hon. friend asks the question. Just let me say this: Under the Georgian bay charter the Hydro Electric Commission has no power to do anything. It is contended by Mr. Sifton and his associates that under their charter, if it is extended once again, the province of Quebec or the province of Ontario would have nothing whatever to do with the water-powers on the Ottawa river. They take the ground that Ontario has no interest in the matter, and that the only way in which it may be protected at all is by reason of the provision made with respect to the railway board. Now let me point out to my hon. friend the distinction between the position of this company and that of the National hydro, and bear in mind that I am not here holding any brief for the latter company; I am just as strongly opposed to the National hydro having any concessions or any rights on the Ottawa river as I am to the Georgian Bay Canal Company having them. But there is this distinction: the Georgian Bay Canal Company got their right under an act of parliament. Such being the case they claim to be absolutely supreme and to act in defiance of either the Quebec government or the Ontario government. On the other hand—and I shall deal a little further with this point later on—the National hydro company have no such rights. They have only a lease which was granted to them many years ago, but subsequent to the passing of the bill of the Georgian Bay Canal Company in 1894. They have a lease from the government which was put through by order in council. Now the National hydro realize that they cannot develop power until they enter into an agreement or lease with the governments of Ontario and Quebec. With that object in view they have entered, it is said, into an agreement with the Quebec government. Negotiations have been going on between the Ontario government and National hydro for one moiety of power. Unless the terms are agreeable to the Ontario Hydro Electric Commission these men cannot develop one single horse-power—not a single horse-power. And the moment they begin to charge or to ask for excessive rates, then the Ontario government, or the hydro commission representing it, need not deal with them but may develop this power itself.

Mr. BRADETTE: Are you aware that the Ontario Hydro Electric Commission is not functioning in northern Ontario, and that ninety per cent of the water-power in that section of the province has been sold to private interests, including those on the Abitibi and Kapuskasing rivers?

Mr. LENNOX: That is a little too far north for me.

Mr. BRADETTE: But it is part of the province of Ontario.

Mr. LENNOX: I am speaking of the horse-power that is being developed under the Hydro Electric Commission.

Now let me refer to another phase of this question, and this has to deal with the question that was asked by the hon. member for Winnipeg North Centre (Mr. Woodsworth). My hon. friend asked what the penalty is for failure to build a canal. We know from the lips of Mr. Harry Sifton that the revenues from the development will not be sufficient, and we know that there will be very large revenues derived from the sale of power from these waterfalls. What will the government do? We will assume that in 1936 the company has expended $50,000, if you like, on the construction of the canal, and that during

those nine years they have developed many of the waterfalls along the Ottawa river, the Carillon and many others—there are nine or ten of them. Assume that they do that and they can do it. Of that there can be no denial. They develop the water-powers and they spend $50,000, we will say, upon the construction of the canal which of course under certain conditions is returned to them. Now what can the government do in case of failure by the company to carry out its obligations? We find that in 1936 a large development has taken place in connection with the water-powers. We find that $50,000 perhaps, has been expended upon the canal, but there has been no construction work over and above that. What does the government do? What power has it under the provisions of this bill? All the power it has is to cancel the right of the company to go with the construction of the canal. That is the only power that is left. The government cannot interfere with the water-powers, there is no provision for that in the bill, but it can say to them in 1936: Here, Mr. Sifton, you have had nine years to construct this canal. It is true you have expended money in the development of water-powers, which are a source of revenue to you, but you have done nothing towards building the canal and therefore we will not let you do anything further in that direction. What a horrible punishment that will be! Really I would not like to be the one who would have to tell the company in 1936 that that would occur. It is a shame to think that in 1936, presupposing there has been no expenditure and no construction work done on the canal, that these gentlemen are going to be punished to the extent that the government will say to them: Put that surplus money in your pockets. You have not built the canal. You must keep that money and pay dividends on it. It is yours. We will not let you spend it. We are going to determine or cancel your rights under this agreement. That is the position; it makes no difference what any person says to the contrary, that is the interpretation of this bill and what that is, in my opinion, will result in 1936.

Let me ask this question: Supposing that this bill, instead of being passed as it is and has been for the last thirty-three years, were coming into this House for the first time and that this company was asking for the right to develop the water-powers of this country without the payment of a single dollar? Would anybody support it? Is there an hon. gentleman within the walls of this chamber that would give his support to a bill the whole aim and object of which was the development of power? Yet that is exactly what may and will happen if this bill becomes law. This is a private company; they are not particularly solicitous—and no one will blame them for that—for the welfare of the people of this Dominion. Like that of every other private corporation or company their whole aim and object is to make money out of this scheme. That being the case, does anyone for a moment suppose that the gentlemen who form this company are going to take the profits derived from the sale of the power which they develop and put them into the construction of a canal? They would be crazy to do such a thing when the only penality is the removal of the octopus that they will be so glad to get rid of.

I just want again to impress upon hon. gentlemen that there is no escape from that in connection with this bill. No excuse can be offered by hon. gentleman for supporting this bill in view of the fact that it has the same effect as if the bill itself asked us to give them all the water-powers along the Ottawa river, allow them nine years to develop those water-powers and not ask them for a single copper. That is a serious matter. It is bad enough to give this to them if there is any legal obligation upon them to construct the canal, but it is absolutely indefensible to hand over to any private corporation or company an asset, a franchise, the value of which cannot be estimated. Are we discharging our duty as trustees of the people of this Dominion, realizing as we must, knowing as we do, that the moment this bill becomes law there is no machinery in the world, there is no provision in or outside of the bill, to compel the construction of that canal?

Why then should we give to this corporation this valuable asset? What reason is urged by the company that we should do so? What inducement do they offer to us to hand over to them these water-powers of such fabulous value? It is true they say that they will build the canal, but they have said that for thirty-three years, and those of us who know these gentlemen know that they are not in this scheme for the good of their health or for the financial welfare of the people of this Dominion. Therefore I repeat that every hon. gentleman who gives his support to this bill gives to this company the right, without a single copper of cost, without any restriction, to develop the water-powers, and at the same time he relieves them of the construction of the canal. All the company has to do is to take advantage of its own wrong, its own delay, its own failure to carry out the terms of this agree-

ment in order to be relieved of the construction of the canal. Surely no company, no man, should be allowed to benefit or to receive financial advantage by reason of failure to do what it was its or his duty to do.

Mr. ADSHEAD: Do I understand the hon. member's remark to mean that if they fail to construct the canal, they will still be in possession of the water-powers?

Mr. LENNOX: Absolutely. That cannot be denied.

Mr. ROSS (Moose Jaw): Still, the hon. gentleman must admit that after his enlightening speech no committee of the House of Commons would allow the bill to come out from that committee without proper provisions, without a proper safeguard.

Mr. LENNOX: I do not know. It has gone through thirteen times and I prefer not to take any chances myself. I do not know what the hon. gentleman would do. In view, however, of what the hon. member has said, that is exactly what they are asking for. Under Bill No. 78 they have asked us to give them exactly the same powers, the same privileges, the same rights, without any change, alteration or restriction that they have received since 1894 in the different extensions.

Mr. MANION: Except that the period is nine years instead of eight.

Mr. LENNOX: Yes. It will probably take an extra year to develop these water-powers. I just want to say to my hon. friend that I have not heard of there being any suggestion of any change. The company are asking that Bill 78 be passed extending the time, but I sincerely hope that if in a moment of weakness we should allow this bill to receive its second reading, my hon. friend will attend the railway committee, of which I unfortunately am not a member, and see that we are amply protected.

Mr. ROSS (Moose Jaw): I will guarantee that. I am a member.

Mr. LENNOX: I am very glad that my hon. friend has so much influence with the party to which he is affiliated.

Mr. VALLANCE: The hon. member said this bill went before the committee thirteen times. Was it not passed in the House without going to the railway committee?

Mr. LENNOX: Perhaps I made a mistake. I apologize. If it went before the committee thirteen times, I would not object, but it was before the House thirteen times. The House extended the charter without even sending it to the committee.

Mr. VALLANCE: The hon. member said it went before the committee thirteen times.

Mr. LENNOX: I apologize. I should have said it went before the House, and the House extended it without sending it to the committee.

I hope the House will bear with me while I deal with another phase of this bill—probably the most obnoxious and indefensible part of it. I refer to the fact that it overrides the acknowledged rights of the provinces of Quebec and Ontario. Since 1894, when the original bill was introduced, the rights of the Dominion and of the provinces have been well defined with respect to the powers in connection with navigable streams. It is well known that the Dominion has paramount rights with respect to navigation, and I think it is equally well known, or at least it ought to be, that subject to the right of the Dominion with respect to navigation the provinces have absolute control over the water-powers of the navigable streams in this country. About a year ago the hon. Minister of the Interior (Mr. Stewart) admitted that in a debate in this House when he stated that the Dominion government had no right to interfere with the provincial governments with respect to the water-powers of the streams and rivers in this country. If the minister was correct in that statement—and I quite agree with him—then, what are we doing, and what are we facing? It is true that if this bill be adopted it carries with it all the water-powers that are in the gift, or are supposed to be in the gift, of the Dominion government. But if the Dominion government has no control over the water-powers of these rivers, then so far as that section of the bill is concerned the act is ultra vires.

If we accept the statement of the Minister of the Interior, who was speaking as a minister of the crown and I assume on behalf of the government, and supposing it to be true that the Dominion has no right so to interfere, what is there to be gained by adopting this bill? What will it mean? We have heard the statement made by the Premier of Ontario that he will never consent to the Dominion government interfering with the waterfalls of the rivers in this province. He has given warning in the last four or five days that if this bill should by any chance become law the Ontario government, assisted by the government of the province of Quebec, will take whatever means they may deem necessary in order to have their rights declared. If that be so, what object is to be gained in passing a bill which will entail prolonged litigation, extending prob-

ably over years and years, during which time the waterfalls in the Ottawa river will be tied up and the people of eastern Canada made to suffer to that extent?

The hon. member for Moose Jaw (Mr. Ross) referred to the National hydro. As I said at that time, I have no interest in the National hydro, and nothing will please me more than to see whatever rights they have rescinded. But I want to draw attention of hon. members to this fact: In 1894 this charter was granted. As far back as 1911 the government of the day leased to the National hydro a quantity of power for which they were to pay $2 per horse-power. The lease was to extend over a period of sixty-three years, and as has been stated in this House, that lease was renewed in 1921. I draw the attention of the House to that original lease for this purpose: if the government of the day thought for one moment that under this charter the Georgian Bay Canal Company had control and were possessed of the water-power, they never would have granted this lease. Bear in mind that no matter who develop the power—even the hydro commission—before they can do anything they must have a lease or agreement with the Dominion government preserving its rights. I say they could not have considered that clause in the charter with respect to power as of any value, or if they did, the conclusion that we are driven to is that the government of the day fifteen or sixteen years ago had no confidence in the sincerity and the ability of this company to carry out their obligations under their charter. It is a singular thing that if the government for one moment contemplated the rights that are being asserted by this company, and that are being supported, I regret to say, by certain hon. members in this House, then it is unbelievable that they would issue another lease to another company to allow them to develop the Carillon falls.

In conclusion, I desire to read to the House a part of an interview by my friend Mr. Harry Sifton. Before doing so I wish to state that in my experience as a public man, which has extended over a considerable period, I have never known the press of this country to be so unanimously opposed to a bill as they are to this measure. So far as Ontario is concerned, to my knowledge there is not, except perhaps in the extreme north, a single newspaper published in any village, town or city throughout the province that is not utterly opposed to parliament passing this bill. No matter what the merits or demerits of a measure may be, it is not often that we find such unanimity amongst both Liberals and Conservatives editing the newspapers of the province.

[Mr. Lennox.]

Now, Mr. Speaker, I want to read a few extracts from an interview which my friend, Harry Sifton, gave the Daily Star on January 10th:

> Harry Sifton in these words explains the present standing of matters along the Ottawa in an interview over the week-end.
>
> Mr. Sifton said that the National Hydro-Electric Company of Montreal is striving to render ineffective the charter of the Montreal, Ottawa and Georgian Bay Canal Company.
>
> On behalf of the canal company he replied to a special despatch from Ottawa published Saturday morning. Mr. Sifton stated that there is a group—

Now, I ask hon. members to listen to this.

> Mr. Sifton stated that there is a group of capitalists who have sought to control the government of Canada for the purpose of running Canada to suit themselves and, "having failed in political intrigues it appears that what they want now is not the right to govern Canada fairly but the right to exploit it."

That is a reference to the National Hydro Electric Company, which has interests only in a waterfall that will generate a little over two hundred thousand horse-power. In Mr. Harry Sifton's view that company is exploiting the people of this country by seeking to develop power at the Carillon falls; but the Georgian Bay Company, owned by capitalists controlling, as they hope, not only the Carillon falls but every other water-power on the Ottawa river, are not exploiting, they are looking after the interests of the people of Canada! Let me read further:

> Mr. Sifton thinks that a speedy investigation in the interests of the people is urgently needed.

I think so too, and we are here for that very purpose, to protect the people of this Dominion from such exploitation. The interview continues:

> The situation on the Ottawa river is simply this. The Montreal, Ottawa and Georgian Bay Canal Company is a company chartered by the government to construct a waterway from Montreal to the Georgian bay. Its charter is of very long standing and has been frequently renewed by various parliaments. The rights are therefore absolute and cannot be altered except by an Act of parliament. . . .
>
> The National Hydro-Electric Company holds a lease from the federal government of the water-powers at the Carillon section of the Ottawa river, but this lease was granted subsequently to the chartering of the canal company, and is in my opinion valueless as long as the canal charter is in existence.

May I ask hon. gentlemen to follow me while I read the next interesting part of this interview:

> Some years ago Ontario was threatened by a power monopoly in the hands of short-sighted capitalists. She very wisely grappled with the question and set up the Hydro Electric Com-

mission to develop and sell electric power at cost to the people. The duty of the Hydro Electric Commission is to fight exploitation by narrow-minded and selfish private interests, who give nothing in return for the gift of public property which they acquire through the payment of trifling fees.

Here we have out of the lips of the gentleman who is vitally interested in the passage of this bill a statement to the effect that the Hydro Electric Commission was only doing its duty in grappling with these private interests, and that by reason of the action of that commission in defending the rights of the people these capitalists did not get hold of the public domain, and as a result the people of Ontario were getting their power at cost.

Now, I wonder whether there is any dissimilarity between the condition at that time and the condition to-day. Here we have a private corporation, a body of capitalists banded together for the purpose of taking from the people their water-powers. The very same thing, my friend says, occurred some years ago, and then it was incumbent on the Ontario Hydro Electric Commission in order to defend the rights of the people to take control and generate electric power. That is exactly what I am asking for to-night. I am asking that these two bills, both of which in my opinion are indefensible, both of which are ultra vires of the powers vested in the parliament of Canada, be rejected. In a word, I am asking you to-night to do what my friend Mr. Sifton says was done, and was necessary to be done, in order to prevent the exploitation of these water-powers by private capitalists. I am asking the house to do what he says is the proper thing to do—cancel both these alleged agreements or charters, and thus permit the Ontario Hydro Electric Commission, associated as it will be with the government of Quebec in dealing with these inter-provincial waters, to develop this water-power so that the people of the eastern part of Ontario may be put upon an equal footing with those in the middle and western portions by acquiring their power at cost.

Mr. J. E. FONTAINE (Hull) (Translation): Mr. Speaker, I understand that in the near future amendments are to be moved in connection with the rules of the House. I hope that the first one will be to limit to twenty minutes the length of members' speeches, so that in future we shall not be forced to listen to speeches as protracted—although eloquent—as the one which has just been delivered by the hon. member for North York (Mr. Lennox).

The question of the Georgian bay canal is of such import to the people of the riding which I have the honour to represent that I would fail in my duty if I did not rise to state openly that I approve entirely of the bill which is under consideration by the House. I do not clearly understand the attitude of a great number of members, and particularly that of the hon. member for Argenteuil (Sir George Perley) who is directing the opposition to the Georgian bay canal bill.

As you have heard it mentioned, Sir, by a number of members, it is now thirty-two years since this charter was granted. It was in 1894. Thirteen times, or thereabouts—every second year, I think, the members of the Georgian Bay Canal Company have come before parliament in order to have their charter renewed. Each time it was done without practically any opposition, therefore, I fail to understand why the request of this company raises so much opposition on the fourteenth time. I presume that quite a number of those who are opposed to the renewal of this charter, would prefer that concessions be granted to private companies for the development of the water-powers on the St. Lawrence. It seems to me, Sir, that it is better to help this company, which beside developing the water-powers, as any other private concern would do, will give us a canal that will shorten the route between Montreal and Fort William by many hundred miles. This would mean a reduction in freight rates and allow Nova Scotia to ship its coal at more favourable conditions. It would also benefit the western provinces in the shipping of their wheat. On that score it is but natural that we should give preference to the Georgian Bay Canal Company, which will perhaps spend hundreds of millions in the dredging of this canal and thereby bring prosperity to the workmen of this country. I believe that it is better to favour this company than to grant a franchise to a private enterprise who would only develop the water-powers.

It is pointed out that the provinces have rights over the water-powers of the St. Lawrence. I understand that in the present bill there exists a clause which stipulates that the provinces may exact that their rights be protected, preventing thereby all encroachments by any company. For my part, I strongly support this scheme, and I trust that the House will sanction the second reading of this bill.

The opponents of this project may, in the committee on private bills, introduce all the amendments they wish; however in the inter-

est of the country as well as that of all the provinces, I deem it absolutely necessary that this charter be renewed.

In fairness to the people I have the honour to represent, I wish to state once more that I shall support heartily this bill. I trust that the House will see fit to sanction it without opposition and that, in the committee on private bills, all the amendments moved to improve the bill will be accepted.

Mr. JAMES ARTHURS (Parry Sound): I have no hesitation in speaking on this subject, not only because of my length of service in this House, but for other reasons. I have had considerable experience with this particular bill. I came here in 1908 and at that time this was a burning question, not only in northern Ontario, as my hon. friend from Nipissing (Mr. Lapierre) knows, but throughout the Dominion. Shortly after that large delegations came down to Ottawa, some of them as great as the one that came here a year or so ago in connection with the automobile industry. One of the largest delegations that ever came to the capital and probably the most representative was concerned with this very matter, and it was drawn from almost every constituency in Quebec and Ontario. I am quite sure that it represented every constituency between the great lakes and Calgary, that is, as the constituencies then stood. They were unanimous in favour of the immediate construction of this canal.

The canal scheme as it was instituted by the Georgian Bay Canal Company has met with considerable criticism in this House to-night, but we must look at the state of affairs as it existed when the bill was first introduced in 1894. The hon. member for Fort William (Mr. Manion) pointed out that this company in the first instance indicated merely a desire to build a canal nine feet deep between the mouth of the French river and Montreal. But shortly after the scheme had been initiated by the company the Canadian Pacific Railway Company were influenced to take a hand in it and they spent a good deal of money in a very intensive survey of that portion of the canal that lay between the mouth of the French river and North Bay. They proposed to build at that time a fourteen foot canal, and I believe that apart from the exigencies of their financial situation the Canadian Pacific would probably have built the canal then. Soon after, the Canadian government itself took hold of the matter. As has been pointed out, this bill has come before parliament repeatedly, and the government made a most exhaustive survey both between the mouth of the French river and North Bay, on the one hand, and between that point and Montreal on the other, a survey that cost Canada something like a million and a quarter. The report of that survey was distributed to the public at that time and, I believe, is now available to members in the library. The conclusion, as my hon. friend from Nipissing rightly points out, was that the scheme was perfectly feasible and there was no doubt that the canal could be constructed, very materially shortening the distance between the west and Montreal. The work could be done at a very low cost and it would enable ships of twenty-four feet draft to traverse that waterway without any difficulty whatever. This is practically the history of the case.

We have had frequent applications for a renewal of the charter, and when I came into the House first, and for many years after, every member from the west was in favour of the scheme. While this project, according to the engineers employed by our own government, was feasible as a waterway, we had various schemes which were really intended to develop the water-powers of the country at or about the same time that hydro-electric power began to give evidence of value. I remember in the old chamber of this House a gentleman, then the member for Thunder Bay and Rainy River, the late Mr. Conmee, bringing in a bill, which very nearly went through, the object of which was to construct a canal from the mouth of the Nipigon river, over to the Winnipeg river, thence to the Saskatchewan river and up to the Rocky mountains; and there was no question whatever that the object of that proposal was to acquire the power rights along the route.

Our friends, perhaps on this side of the House as well, who oppose the bill being sent to the committee, forget the fact that according to the charter as renewed from time to time—and we admit there have been many renewals from 1894 to the present date—if the promoters of this undertaking were anxious to merely develop the water-powers along the route, all they needed to do was to spend $50,000 to be on the safe side. They have not done so, nor have they taken any action such as would indicate that they have an eye to the power alone. In the meantime, parliament has made certain encroachments upon the original charter. The company at first were given shore rights, water rights, and so forth, but changes have been made and we find now that many of these rights granted to the company as originally constituted have been withdrawn by the railway committee. In the first place, the right of expropriation

was taken by the Dominion. That is to say, at any time on one week's notice the Dominion could acquire all the rights which the company then held. This is provided for in section 5 of the act of 1906. This took from the company any privileges which the government of the Dominion might wish to abrogate, and this after one week's notice. The next change came in 1912, when another renewal was asked for, and at that time paragraph (g) of section 8 of chapter 103 of the revised statutes of 1894 was repealed and the following substituted therefor:

> Produce, lease and supply, or otherwise dispose of surplus hydraulic, electric and other kinds of power developed in connection with and for the purposes of the works hereby authorized, the rates or prices at or for which such hydraulic and electric power may be disposed of by the company to be fixed or determined by the Board of Railway Commissioners for Canada. . . .

That put a stop to any exploitation in connection with the water-power or water rights outside of those directly connected with the works of the company. These powers were taken over by the Dominion, and the price was to be fixed by the railway board. Then we go further and find that in order to protect the provinces, in 1913, one year later, an amending act was passed which contained the following clause:

> Nothing in this act, or in any other act governing or affecting the company, shall be construed to authorize or empower the company to enter, or take, or use the public lands of the province of Ontario or Quebec without the consent of the lieutenants governor in council of the respective provinces, except to the extent necessary for the purpose of constructing the canal and necessary works incidental thereto, and for the purpose of developing power necessary for the operation of the canal.

I would ask the House to pay particular attention to the closing words. The company had the right to develop power independent of the provinces only to the extent necessary to the operation of the canal; in all other respects, according to the act as it now stands, they are subject in the first place to the control of the railway commission and they have no power to create or sell any power without the consent of the lieutenants governor in council of the provinces of Ontario and Quebec. So far the argument against this bill must fall down. It is undoubtedly true that this bill has stood for many years, and that except in surveys this company has spent very little if any money in the development of the work. But we have in our hands to-day a bill which was passed renewing a charter originally granted in 1893 for the purpose of building a railway line, for which every hon. member of this House voted or against which by his acquiescence he did not vote, and we have many of these cases.

In regard to the actual construction of the canal we in northern Ontario feel it to be a perfectly feasible scheme. I spoke for hours in the old House and in the Victoria Museum in connection with this matter and I am sure hon. members can read the facts for themselves. We believe that through this canal we can be sure of a waterway entirely within Canada and entirely under the control of Canadians, which will shorten the distance and lower the freight rate on every bushel of grain shipped from the west and sent eastward. I have no doubt of that in my own mind. The argument of the hon. member for Fort William (Mr. Manion) that the company proposes to collect tolls is very foolish, I think. If this canal were built from the mouth of the French river to Montreal and if tolls were collected, what is to be understood? It must be a cheaper means of carrying grain than the present route via the St. Lawrence, otherwise no sensible man would pay a toll to go through the canal. It is absolutely clear to anyone that if tolls are to be collected the canal must be of some benefit to the man who pays the toll.

I could go on for an hour or so, but I have no desire to delay the House. I simply want to say that in my experience in this House we have never refused to let a bill go to a standing committee. I am in favour of permitting this bill to go to committee, with the reservation that the public should be protected in every possible way and that before it finally passes this House, if it does pass, there should be a clause inserted more comprehensive perhaps than that already in the bill, giving the railway board power to adjust the rates. I would suggest that any power developed in the process of constructing this canal should be under the control as to prices, if in Ontario, of the Ontario Hydro Electric Commission, or if in Quebec it should be controlled by the government of that province. With that guarding clause I believe any reasonable man would say that this bill should take whatever fate may await it in the railway committee in the ordinary way.

Mr. E. J. GARLAND (Bow River): The hour is somewhat late, Mr. Speaker, and I would hesitate to delay my hon. friends longer. As my remarks will be somewhat extended I would beg to move the adjournment of the debate.

The House divided on the motion (Mr. Garland, Bow River) which was negatived on the following division:

YEAS

Messrs:

Adshead,
Anderson (Toronto—High Park),
Anderson (Halton),
Barber,
Bell (St-John-Albert),
Bird,
Bowen,
Cahan,
Campbell,
Carmichael,
Casselman,
Chaplin,
Charters,
Church,
Clark,
Dickie,
Edwards (Frontenac-Addigton),
Embury,
Evans,
Fansher (Last Mountain),
Fansher (Lambton-East),
Fraser,
Gardiner,
Garland (Bow River),
Garland (Carleton),
Geary,
Gott,
Guthrie,
Hanson,
Heaps,
Irvine,
Jelliff,
Johnstone (Cape Breton North-Victoria),
Kaiser,
Kennedy,
Ladner,
Lennox,
Lucas,
Luchkovich,
MacDonald (Cape Breton South),
Macdonald (Richmond-West Cape Breton),
Macdougall,
MacLaren,
MacNutt,
Macphail (Miss),
McGregor,
McRae,
Maloney,
Manion,
Matthews,
Maybee,
Peck,
Preston,
Quinn,
Rennie,
Robinson,
Ross (Kingston City),
Ryckman,
Senn,
Short,
Simpson,
Sinclair (Wellington North),
Smoke,
Spence (Parkdale),
Spencer,
Stinson,
Stirling,
Thompson,
Tolmie,
Tummon,
Woodsworth,
Young (Toronto Northeast).—72.

NAYS

Messrs:

Bancroft,
Beaubien,
Benoit,
Blanchard,
Blatchford,
Boivin,
Bothwell,
Bouchard,
Boulanger,
Bradette,
Brown,
Cannon,
Cardin,
Casgrain,
Chevrier,
Desaulniers,
Descoteaux,
Deslauriers,
Donnelly,
Duff,
Dunning,
Dussault,
Edwards (Ottawa),
Fafard,
Fiset (Sir Eugene),
Fontaine,
Forke,
Gershaw,
Gervais,
Girouard,
Glen,
Guérin,
Hall,
Heenan,
Howard,
Howden,
Ilsley,
Johnston (Long Lake),
King (Kootenay East),
King, Mackenzie (Prince Albert),
Lacombe,
Laflamme,
Lanctôt,
Langlois,
Lapierre,
Lovie,
MacLean (Prince),
McLean (Melfort),
McIntosh,
McKenzie,
McMillan,
McPherson,
Malcolm,
Mercier (Laurier-Outremont),
Mercier (St. Henri),
Millar,
Milne,
Morin (Bagot),
Morrissy,
Motherwell,
Neill,
Parent,
Ralston,
Raymond,
Rhéaume,
Rinfret,
Roberge,
Robitaille,
Ross (Moose Jaw),
St-Père,
Sanderson,
Séguin,
Sinclair (Queens),
Spence (Maple Creek),
Stewart (Edmonton West),
Totzke,
Vallance,
Veniot,
Ward,
Young (Saskatoon),
Young (Weyburn).—81.

Mr. GARLAND (Bow River): Mr. Speaker—

Mr. RINFRET: I rise to a point of order. I observe that the hon. member for Bow River intends to proceed with his speech, but it is a well known rule of the House that when a member moves the adjournment of a debate and the motion is negatived he loses his right to speak on the original motion. May I direct your attention, Mr. Speaker, to rule 21, paragraph 2, which says:

> A reply shall be allowed to a member who has moved a substantive motion or the second reading of a bill, but not to any member who has moved an order of the day (not being the second reading of a bill) an amendment, the previous question, an adjournment during a debate, or an instruction to a committee.

Beauchesne, commenting on the rule, says at page 71, paragraph 258:

> A member who has moved or seconded the adjournment of the debate which has been negatived cannot speak to the original motion.

I may add that I am very sorry I have to direct attention to this rule. I do not do it out of any disrespect to the hon. member for Bow River, but in order that the rules of the House may be observed.

Mr. GARLAND (Bow River): On the point of order, may I just say to hon. members opposite, who are usually exceedingly courteous to me at least and to most of my colleagues on this side, that I was perfectly well aware of the rule, and that I rose to speak presuming that hon. gentlemen opposite would not take advantage of such a rule at this time. My motion was not made, Mr. Speaker, for partisan purposes of any kind but simply out of consideration not only for my own physical well-being but for that of hon. members opposite, and I am sorry they have chosen to take advantage of a point of order

of this kind. May I say in conclusion, Mr. Speaker, that I bow to the inevitable ruling which you must give in this matter, but I am sorry that hon. gentlemen opposite have not been as courteous as they usually are under the circumstances.

Mr. SPEAKER: As the hon. member submits to the rule I will not apply the axe. The hon. member for Qu'Appelle now has the floor.

Mr. JOHN MILLAR (Qu'Appelle): At this late hour my remarks will be very brief. An English economist once said that for commercial purposes the measure of distance was not the number of miles but the freight rate. In other words if the freight rate between two points is doubled the distance for commercial purposes is doubled also.

Mr. SPEAKER: Order. There are too many members of the House speaking to each other whilst the debate is proceeding, and it is disturbing the hon. member who has the floor.

Mr. MILLAR: I approach this question with a great deal of caution, yet I realize it is one of vital importanace. In western Canada we are at a great distance from the seaboard, and anything that will tend to lessen the cost of transportation lessens in a commercial way the number of miles that products have to be carried. I am also quite well aware that our experience with canals in the past, and the experience of the United States also, has been rather disappointing. Let me give the House some figures regarding an experience in connection with the Erie canal.

From a pamphlet issued in New York I quote the following figures referable to the year 1921:

	Bushels
Number of bushels of wheat carried to New York by rail	46,686,000
Number of bushels of wheat carried by water	7,315,000
Number of bushels of corn carried by rail	11,664,000
Number of bushels of corn carried by water	1,565.000

As a matter of fact, the experience of the Erie canal has been that ninety-one per cent of the grain going into New York goes by rail notwithstanding the fact that the rates are about the same as by canal. I will quote the showing of a few years to illustrate that. For the year 1900 the rate by lake and canal from Chicago to New York was 4.92 cents, and by lake and rail 5.5 cents. You will see there was very little difference. In 1901 the rate from Chicago to New York was 5.64 by lake and canal and 5.57 by lake and rail. Sometimes the rate by lake and rail is greater, and at other times it is greater by lake and canal. The experience in connection with the construction of the several Welland canals has also been disappointing. Each time we have built a new canal the expectation has been that it would carry a great deal of traffic but after construction the amount carried has been disappointing. I will give one exception to the general experience. The amount of freight passing through the Sault canal, both American and Canadian, has been exceedingly large. It has run from 66,000,000 tons to 91,000,000 tons during the last eight or ten years, or has varied between those figures. The question arises, why is that? It is simply because rail transportation cannot compete with open water transportation. There is open water competition through lake Superior and lake Huron, and it is utterly impossible for the rail route to compete with the open water route. A very striking illustration of this is given by Mr. S. A. Thompson, Secretary-Treasurer of the National Rivers and Harbours Congress, of Washington, D.C., before the convention of the National Waterways Association of Canada. In an address delivered at Toronto on March 8, 1921, he gives this remarkable illustration. He said:

> Let me give you a concrete illustration of the difference in the cost of transportation by water and by rail. Through the Soo canal, at the outlet of lake Superior, there were carried, in 1913, 79,718,344 tons of freight. This was carried an average distance of 820 miles, at an average cost of two-thirds of one mill per ton per mile. If this same quantity of freight had been sent an equal distance by rail at the average rate received by United States railways for that year it would have cost $445,555,488 more than was actually paid for its transportation by water.

Summarized, that means this: On the tonnage that passed through the Soo canal in one year and was carried 820 miles, the cost, if it had been carried at the average rate paid to United States railways, would have been $445,000,000 odd more than it actually was. That shows the great advantage of water over rail transportation. If we had open water navigation through the Georgian bay canal, or through the St. Lawrence, or through the Welland canal, the cost of transportation of wheat and other commodities would be greatly decreased. But I approach this matter with caution because I am aware that transportation through the canals is very expensive; that it approaches in many cases almost, if not quite, the cost of rail transportation.

One point of advantage which the Georgian bay canal possesses is that it is an all-Cana-

dian route. If my memory serves me well, during the war the United States authorities wished to build a dam on their side of the St. Lawrence route. I may not be absolutely correct in all my details in connection with this matter and I stand to be corrected; but I believe they were given permission by the president, subject to approval of the details of their plan by the International Joint Commission. They proceeded to build that dam under the arrangement that it should be removed within one year after the close of the war. Yet that dam still remains there to-day. I mention that only to show the internal complications that may arise between Canada and the United States when they are operating a joint water route.

As Canadians we are in this position: we may not like the idea of giving this franchise over to a private concern; but if this canal is going to be constructed, if there is going to be any water transportation scheme, it is impossible to construct the navigation part of the scheme and make it pay without the water-powers. The right of navigation is under the control of the Dominion government. The right of water-power is under the control of the provincial government. The water-powers may be developed without the navigation but the navigation cannot be made to pay without the water-powers. The question is: What is the alternative? Is it worth while to stop and think of that?

Will the Dominion of Canada—which by the British North America Act controls navigation, which should have control of the navigation on this Ottawa river and through those lakes and rivers—transfer that right to the province? Will it give up that right without proper safeguards, and can that right be properly safeguarded? If it does not do that, will it permit the province to develop the water-powers without any consideration whatever for the navigation? Once the water-powers are developed, it will be utterly impossible to develop the navigation afterwards and the canal will be lost to Canada for all time. Is it not worth while to consider those matters? Is it not worth while to send this bill to a committee where the matter may be thoroughly investigated, where the details may be threshed out, where the engineers may be brought before the committee and questioned? I would be sorry indeed to see this charter granted without question, but I would also be sorry to see a transportation system that might be of great benefit to western Canada and to Canada as a whole lost to Canada simply because the committee were afraid to listen to the engineers, to listen to both sides and to judge for themselves. Why should the members of the railway committee be terrified to go down into the committee room and allow the engineers and others to speak in favour of and against the scheme, to hear the pros and cons? Is there any reason why the members of the committee should be afraid of themselves? I think the proper thing is for the bill to go before the railway committee.

During the discussion this afternoon the St. Lawrence waterways came up for consideration. Allow me to point out that once the Welland canal is constructed, the danger of Oswego taking a large part of Canadian freight and turning it to United States ports will be equally as great as the danger is now in regard to Buffalo. A large part of Canadian freight is passing through United States channels. We as Canadians wish to prevent that, but the House may rest assured that the completion of the Welland canal will not settle that problem. Oswego is nearer to New York than is Buffalo. Allow the large ships carrying large cargoes to pass through the Welland canal to the eastern end of lake Ontario and what will happen? Oswego will become a keener competitor than Buffalo is to-day. The advantage of this other route, if it should be found feasible for navigation purposes, means that there is no joint ownership. It is an all-Canadian route. As has been pointed out, it is a direct route with a saving of about 280 or 282 miles.

Some objection has been taken to the fact that if this should be completed by private enterprise tolls would be charged. I do not think we should object to paying a reasonable toll for the service, because the Dominion would be freed from spending one dollar on constructing the canal and developing the water-powers. There is not therefore any reason why those using those canals should not pay a reasonable toll. It would be necessary, of course, that this matter should be properly safeguarded.

There might be a danger that if this charter were granted as it stands now the water-power might be developed and the canal for navigation purposes might be delayed, might even not be built. If that cannot be safeguarded by legislation, I do not think it would be wise to grant the charter at all, but surely it is worth while to give it a fair trial and send it to committee where it can be thoroughly discussed.

It has been said by those who advocate this route that it will save from five to ten cents, per bushel on grain. I take that with a grain of salt. I also take with a grain of salt

the statement of the advocates of the St. Lawrence route, when they say it will save from five to ten cents. I am very doubtful if that saving will be made on either route, but it is worth while studying it very, very carefully. If there should be a saving on either of these routes of anything like that to the people of western Canada, and the people of Canada as a whole, the people's representatives will make a grand mistake if they turn a deaf ear and refuse to study the matter, only to find out in later years that they had thrown away something that was worth while. One hon. member has asked, why build such a route to compete with the Hudson bay route? One might just as well ask, why build a branch line in northern Saskatchewan to compete with a branch line in southern Alberta? The Hudson bay route and the Georgian bay canal are about 1,500 miles apart. No one ever thought, when he advocated the Hudson bay route that the traffic passing out by the great lakes through Fort William and the St. Lawrence was going to dry up. We want a number of routes, the more the better, provided they do not cost too much.

I appeal for consideration of this question. If this proposition is referred to a committee I do not think there will be any inclination to be unjust or unfair. It can be sifted to the bottom, and those who advocate the Georgian bay route, and those who are opposed to it will have an opportunity to present their views. It may be possible that the lack of safeguards which has been complained of may be remedied. I believe the whole matter should be taken up and investigated from the start. Very many changes have taken place since this charter was granted thirty odd years ago. The need for deeper boats with a heavier draft has been very marked. I observe in a statement by a prominent authority that since 1914 the increase of draft of boats the world over has been thirty-three and a third per cent. The depth of canal that might have been sufficient thirty years ago would be quite inadequate now. Thirty years ago water-power was not considered as valuable as it is to-day, so that it would be wise to review the whole question, study it from the first, and look at it as though it had never been touched. I do not say that I would support it or that I would oppose it, but by the time it has been thoroughly threshed out it may look different.

I move the adjournment of the debate.

Mr. SPEAKER: Before the motion is put, according to the rules, when two motions for the adjournment of the debate or for the adjournment of the House are made there must be an intermediate proceeding. I would refer to Bourinot at page 323, where he says:

> In case there is a substantive motion of adjournment before the House, and it is negatived, some proceeding must be had in order to render a second motion to the same effect regular. A message from the governor general followed by other proceedings would be sufficient to render a second motion of adjournment valid. The rule applies literally to the adjournment of the House, and not of the debate, but it is usual and convenient to make an entry in the journal between two motions of the latter character.

If it is the desire of the House, by unanimous consent. I will take the opportunity to lay on the table two copies of the report of the by-elections held during 1925-26, pursuant to section 72 of the Dominion Election Act. This creates an intermediate proceeding, and now the motion for adjournment can be made.

Mr. CASSELMAN: I move the adjournment of the debate.

Mr. SPEAKER: Has the hon. member from Qu'Appelle concluded his speech?

Mr. MILLAR: I moved the adjournment of the debate.

Mr. SPEAKER: I understood the hon. member had concluded his speech, and the hon. member from Grenville-Dundas has moved the adjournment of the debate.

Motion agreed to and debate adjourned.

On motion of Mr. Mackenzie King the House adjourned at 11.35 p.m.

Tuesday, March 8, 1927

The House met at three o'clock.

PRIVATE BILL

FIRST READING

Bill No. 120, respecting Joliette and Northern Railway Company.—Mr. Denis (Joliette).

COMMITTEE ON AGRICULTURE

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

That the names of Messrs. Bancroft and Rutherford be substituted for those of Messrs. Glen and Roberge on the select standing committee on agriculture and colonization.

Motion agreed to.

PRIVILEGES AND ELECTIONS COMMITTEE

Mr. J. J. DENIS (Joliette) moved:

That the quorum of the select standing committee on privileges and elections be reduced from fifteen to eight members.

He said: I think I should give some explanation regarding this motion. Each year a striking committee is appointed to nominate the select standing committees and that committee has the power to determine what shall be the quorum of a standing committee of the House. In some cases that committee provides what shall be a quorum and in other cases it does not. The quorum was not fixed this year for the standing committee on privileges and elections; therefore a quorum should be a majority of the committee, and as there are twenty-nine members the quorum stands at fifteen. On the 2nd, 3rd and 8th March this committee on privileges and elections was called. Unfortunately we have been unable on each of these occasions to secure a quorum; therefore there is no report of the committee before the House, as we could not make a report until a quorum had been obtained. The members of that committee who were present at the different meetings suggested to me that I, as chairman, should move to have the quorum of the committee reduced, because the members of the committee were afraid that if the quorum remained at fifteen it would be very difficult if not impossible for the committee to sit this session. That is the reason I am making this motion. By way of comparison, I might draw the attention of hon. members to the fact that the standing committee on railways, canals and telegraph lines is composed of 129 members and the quorum has been fixed at 25, less than 20 per cent. The private bills committee is composed of 65 members, and the quorum has been placed at 10. The committee on standing orders is composed of 33 members and the quorum is fixed at 7.

Mr. GUTHRIE: I do not know whether I am right or not, but I think this is one of the motions of which notice should be given. I have not had time to consult anyone in regard to the matter or to consider the effect of the motion. The standing committee on privileges and elections is one of the important committees of the House. Matters which come before it as a rule are of very great consequence, and I think that a quorum of eight to transact the business of that committee is very small. I know in past years we have had great difficulty in getting a quorum in the committee on privileges and elections, we had the same difficulty the year before last, and four years ago we had great difficulty. If my hon. friend will allow this motion to stand for say two days, perhaps we can come to some arrangement in the meantime. I would not like to pronounce formally upon it without further consideration.

[Mr. J. J. Denis.]

Mr. SPEAKER: Under rule 40 notice of this motion must be given, therefore the motion will have to stand.

Motion stands.

NATURAL RESOURCES—WESTERN PROVINCES

Hon. J. W. EDWARDS (Frontenac-Addington): I desire to present petitions signed by some three thousand electors of the provinces of Nova Scotia, Ontario, Manitoba and Saskatchewan, requesting that their natural resources should be transferred to the prairie provinces at the earliest possible moment, without restriction or limitation as to the complete control of their educational or other local affairs.

MARINE AND FISHERIES COMMITTEE

Mr. WILLIAM DUFF (Antigonish-Guysboro) moved:

That the annual report of the Minister of Marine and Fisheries for the fiscal year 1925-26 and the annual report of the Fisheries branch of the said department be referred to the select standing committee on marine and fisheries.

Motion agreed to.

WEST INDIES TRADE AGREEMENT

ORGANIZATION OF COMPANY TO PROVIDE STEAMSHIP SERVICE

Hon. CHARLES A. DUNNING (Minister of Railways) moved that the House go into committee at the next sitting to consider the following proposed resolution:

Resolved,

1. That it is expedient to bring in a measure to provide or arrange through a company to be formed under the Companies Act, for a mail, passenger and freight service, in accordance with the West Indies trade agreement, 1926.

2. That the securities to be issued by the company may be guaranteed by the Dominion as to principal and interest to an amount not exceeding, without the authority of parliament, an aggregate of $10,000,000.

3. That the proceeds of sale or disposition of the securities shall be deposited to the credit of the Minister of Finance; and the entire stock ownership of the company shall be issued to His Majesty in the right of the Dominion in consideration of the guarantee.

4. That any of the boats now operated by the Canadian Government Merchant Marine, Limited, may be transferred to the company on a reasonable valuation and on terms to be approved by the governor in council, and if transferred to be operated by individual companies, such companies shall issue to the company all their capital stock to indemnify the crown against liability in respect of the guarantee.

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

Motion agreed to.

ALLIED INDIAN TRIBES OF BRITISH COLUMBIA

JOINT COMMITTEE TO INQUIRE INTO CLAIMS

Hon. CHARLES STEWART (Minister of the Interior) moved that the House go into committee at the next sitting to consider the following proposed resolution:

Resolved, That a special committee of this House consisting of the Honourable Charles Stewart, Mr. F. W. Hay, Mr. E. A. McPherson, Mr. L. S. R. Morin, Honourable H. H. Stevens, Honourable R. B. Bennett and Mr. W. A. Boys be appointed to meet with a similar special committee of the Senate, if such a committee be appointed, to inquire into the claims of the Allied Indian Tribes of British Columbia as set forth in their petition submitted to parliament in June, 1926; and that such committee have power to send for persons, papers and records, and to report from time to time by bill or otherwise; and that a message be sent to the Senate to acquaint their honours therewith.

Mr. A. W. NEILL (Comox-Alberni): Mr. Speaker, under the guise of a simple resolution this is a matter of some importance to British Columbia—

Mr. GUTHRIE: Is not this just a notice?

Mr. SPEAKER: Is the hon. gentleman raising a point of order?

Mr. NEILL: No.

Mr. SPEAKER: This motion is not debatable.

Motion agreed to.

VANCOUVER HARBOUR COMMISSIONERS

PROPOSED LOAN OF $4,000,000

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries) moved that the House go into committee at the next sitting to consider the following proposed resolution:

Resolved, That it is expedient to authorize a loan to the Vancouver Harbour Commissioners in an amount not exceeding $4,000,000 to carry on the construction of terminal facilities, upon the approval by the governor in council of detailed plans, specifications and estimates for such works and the deposit of debentures of the corporation to cover said loan.

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

Motion agreed to.

REPATRIATION OF ORIENTALS

On the Orders of the Day:

Mr. W. G. McQUARRIE (New Westminster): Mr. Speaker, may I direct the attention of the Prime Minister to a despatch in the Vancouver Daily Province of the 25th ulto? The first paragraph reads:

Victoria, Feb. 25: A demand that the federal government should give serious consideration to the question of repatriating the orientials from British Columbia was made by the attorney general, Hon. A. M. Manson, in the legislature on Thursday afternoon.

Let me also quote another short extract from the same despatch:

"Although it would cost the Dominion of Canada many millions of dollars, the proposal should be seriously considered before it is too late," said the attorney general.

I would ask the Prime Minister if he is going to consider this demand of the attorney general of British Columbia.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I think I should allow the attorney general of British Columbia to deal with the matter himself.

MONTREAL, OTTAWA AND GEORGIAN BAY CANAL COMPANY

On the Orders of the Day:

Mr. E. J. GARLAND (Bow River): Mr. Speaker, on February 28th I requested the government to table a report made by the engineers of the Department of Public Works in the matter of the Georgian bay canal, submitted, I think, in 1925. I do not know whether the government has taken any steps to table the report, but for fear it may be put to further inconvenience, I may say that I have been able to find the material I required in another report made some time ago. However, I would now ask the government to table a report made on the same subject by a special commission appointed by the Borden government in 1912, under the chairmanship of Mr. Sanford Evans. May I ask that it be tabled at the earliest convenient moment?

IMPERIAL GOVERNMENT SUPPLIES FOR CHINA

PURCHASES IN BRITISH COLUMBIA

On the Orders of the Day:

Hon. H. H. STEVENS (Vancouver Centre): Mr. Speaker, I should like to ask the Right Hon. Prime Minister if he would be good

enough to give me certain information. I have a wire, and this is only one of several, from a business concern on the coast to the effect that they are advised from London that the Canadian authorities are purchasing supplies for the Imperial government for China, and they ask to be advised what department or minister of the government is handling this matter. This refers, I presume, to other supplies than those handled, I think, by the Department of Agriculture.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I am not aware of any supplies having been ordered by the Imperial government other than those that have already been referred to by the Minister of Agriculture (Mr. Motherwell). However, if any parties wish to get information, I think the appropriate department with which to communicate would be the Department of External Affairs.

CANADA GRAIN ACT AMENDMENT

On the Orders of the Day:

Mr. M. N. CAMPBELL (Mackenzie): Mr. Speaker, may I ask the Minister of Trade and Commerce (Mr. Malcolm) if he is now in a position to inform the House when he expects his bill to amend the Canada Grain Act will come before parliament? ?

Hon. JAMES MALCOLM (Minister of Trade and Commerce): Mr. Speaker, I told the hon. gentleman recently in reply to a similar question that we expected to have the legislation ready in the very near future. I can assure him that we are a little nearer the time now, than we were then—probably inside a week.

IMMIGRATION PUBLICITY

ALLEGED MISLEADING STATEMENTS IN BRITISH NEWSPAPERS

On the Orders of the Day:

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, I should like to call the attention of the Immigration department to the advertisements which are being used in the old country to secure immigrants. In the Galloway Gazette of Saturday, January 1, 1927, I notice an advertisement by the Anchor-Donaldson people saying that situations are guaranteed by the Canadian government. Let me quote a short extract from the advertisement:

Employment assured throughout the year.

With regard to boys, the advertisement has this announcement:

The Canadian government makes itself absolutely responsible for the welfare of the boys.

I would ask the Minister of Immigration (Mr. Forke) whether the Canadian government does absolutely guarantee situations; and, if not, whether it will take some steps to prevent such misrepresentation in the old country papers?

Hon. ROBERT FORKE (Minister of Immigration and Colonization): It is rather difficult sometimes to justify advertisements. If I were to go along Bank street and make every merchant on that street justify his advertisements, he might experience some difficulty in doing so. I do not think the hon. member for Winnipeg North Centre (Mr. Woodsworth) has quoted all the advertisement. I think it begins by stating that immigrants can be brought to Canada for £2, and it then proceeds to state that the government guarantees employment.* As a matter of fact, immigrants who come under the assisted passage agreement between the Imperial authorities and the Dominion government for £2, have their employment guaranteed. Assisted immigrants to whom this advertisement refers are guaranteed employment because they are sent over here under that agreement on the nomination of someone residing in Canada who has stated that he will give them employment. There is of course, no guarantee that they will remain in the employment in which they are placed. The department undertakes to see that they will be employed when they come to Canada and I think that is being done. Furthermore the department undertakes if possible to keep track of them for five years after they come to Canada in order to see what they are doing and how they are turning out after receiving that assistance from the imperial and federal governments. There is no guaranteed employment for any other class than farmers, farm servants and domestic servants. Any others who come to Canada come on their own responsibility, and the department assumes none for them.

The boys who come to Canada are perhaps in a different class. They are young boys under seventeen years of age who are brought out under the auspices of different associations or the provincial government who undertake to look after them. At the same time the department does not divest itself of responsibility, but also undertakes to look after them for five years and I think that is being fairly carried out so far as we have gone. Of course the scheme has been only recently entered into.

ST. REGIS INDIAN RESERVE

CONTROL OF ST. LAWRENCE RIVER ISLANDS BY SUPERINTENDENT GENERAL

Hon. CHARLES STEWART (Minister of the Interior) moved the third reading of Bill No. 55, to provide for special control by the Superintendent General of Indian Affairs of certain islands in the St. Lawrence being part of the St. Regis Indian reservation.

Mr. STEVENS: I was under the impression that this bill had been still left in committee.

Mr. STEWART (Edmonton): Third reading was suggested and it was held up.

Mr. STEVENS: There were some other points regarding which we wanted information and which I desired to discuss, but that cannot be done on the third reading. There seems to be a little misunderstanding. The hon. member for Leeds (Mr. Stewart) advises me that there was an arrangement that the bill might be recommitted.

Mr. STEWART (Edmonton): I have no recollection of that.

Mr. STEVENS: I was certainly under the impression that it had not been finally reported from committee.

Mr. STEWART (Edmonton): I allowed this bill to stand over on two occasions in order that the hon. member for Argenteuil (Sir George Perley) might have an opportunity of examining it in committee, and I thought it received thorough discussion in committee. I have no recollection of any objection being raised except to the third reading.

Sir GEORGE PERLEY: I remember very well when this bill was left over in committee for further discussion and the minister brought down some information regarding these islands and the reasons given by him and the department for this bill. I do not propose to discuss the matter any further. It seems to me we shall simply have to let it go, but on the third reading I wish to register my protest against a special bill dealing with Indian lands. We have a general act dealing with Indians, and my impression is that it is up for certain amendments this session.

Mr. STEWART (Edmonton): Yes.

Sir GEORGE PERLEY: It seems extraordinary that there should be any need of a special bill dealing with Indian lands or other property when a general act has been in force for years and years, and has been amended from time to time as necessity warranted and as the officials of the department advised was necessary. It would have been far better if the provisions of this bill, if they are required, could have been incorporated in the general act, because the question at once arises in anybody's mind as to why in any particular case there should be a special law with regard to dealing with Indian lands.

Mr. STEWART (Edmonton): I explained that phase of the bill when it was in committee. There is just one point that requires a special bill and that is the jurisdiction of the Superintendent General or the department over the disposal of lands of this character unoccupied by Indians. The general act provides for control by the band itself except in the case of uncultivated land.

Sir GEORGE PERLEY: Are there no other unoccupied lands belonging to Indians in any other part of the Dominion?

Mr. STEWART (Edmonton): Not separated from the reserves, so far as I know, not even on Walpole island.

Motion agreed to on division, and bill read the third time and passed.

SOLDIER SETTLEMENT ACT 1919—AMENDMENT

Hon. ROBERT FORKE (Minister of Immigration and Colonization) moved the third reading of Bill No. 61, to amend the Soldier Settlement Act, 1919.

Motion agreed to and bill read the third time and passed.

DEPARTMENT OF NATIONAL REVENUE

REORGANIZATION OF DEPARTMENT OF CUSTOMS AND EXCISE

Hon. W. D. EULER (Minister of Customs and Excise) moved the second reading of Bill No. 113, respecting the Department of National Revenue.

Mr. T. L. CHURCH (Toronto Northwest): There is a policy and a principle involved in the second reading of this bill, Mr. Speaker, and I do not think it advisable for the House to pass such legislation in view of the fact that a royal commission has been appointed to make recommendations in regard to the very matters contained in this bill. We were told by the Prime Minister (Mr. Mackenzie King) when leader of the opposition last June, at page 5133 of Hansard, that such a commission should be appointed in view of the very large revenue handled by this department, and he said that the commission should be composed of three judges, one nominated by the government, one by the op-

position and one by the Progressive party in order to command the respect of the country. In order to show the policy of the then leader of the opposition on that occasion I should like to quote two short sentences from his remarks, as follows:

> We conferred among ourselves as to the manner in which that all important end could best be attained, and we came to the conclusion that the manner in which that end could best be attained would be through the appointment of a commission of judges, three in number, one to be named by the prime minister of the day, the second to be named by the leader of the opposition, and the third to be named by the leader of the Progressive party. I submit, Mr. Speaker, and I wish to say it as emphatically as I can, that I believe it is a commission of that character, and of that character alone, that the people of this country will be satisfied with on this all-important national problem.

That commission was never appointed, but another commission was substituted for it and they are simply continuing the work of the old committee of this House which brought out the facts in this connection. In view of this I think it due the House and the country that the Prime Minister or the Minister of Customs and Excise should explain why this roving commission is going about the country from one city to the other, finding out nothing which has not already been discovered by the committee of this House which investigated this department. For that reason I think this bill should stand until such time as we have the report of this commission, if it is ever received. There has been a right-about-face made by the government, and in view of that we should have some expression of opinion from the government as to when that report may be expected and as to whether it will contain anything along the line of this bill. Why is this commission spending hundreds of thousands of dollars of the taxpayers' money if they are not going to recommend the co-ordination of all these different departments in order that they may be administered with greater efficiency, as the public utilities of this country are not at present administered, in my opinion? For that reason I am opposed to the second reading of this bill; I think it should stand over until we have received the report of this commission.

Motion agreed to, bill read the second time, and the House went into committee thereon, Mr. Johnston in the chair.

On section 1—Short title.

Mr. HANSON: I think we should have some considered statement from the minister before this bill proceeds any further, because it is a very important measure. The criticism levelled at the principle of the bill by the hon. member for Toronto Northwest (Mr. Church) has some foundation in fact, I think. The minister is a new minister and should give the House some statement.

Mr. EULER: I am very much inclined to believe that my hon. friend just wishes to try out the new minister. I have very little to add to what I said the other day when the bill was given its first reading. Clause 1 proposes to change the name of the department as it is now constituted to the Department of National Revenue. As I explained the other day, it simply means that the new name is regarded as being more accurately descriptive of the functions of the department. As the title is now it implies only the collection of customs and excise duties, while the actual work of the department includes also the collection of income tax and sales tax. I do not know that I can add anything more. One criticism which was raised the other day was that some time we might possibly get rid of the sales tax and income tax, but even if that were to happen the new name would still be descriptive of the work of the department, so I cannot see that that should affect the matter in any way.

Mr. HANSON: Are we to understand, and is the country to understand that there is to be a continuation of the excise tax and income tax and sales tax in this country, or are we to understand that the income and sales taxes are to continue for only a short period and that we are then to revert to the collection of our national revenue principally from the customs and excise duties? If the latter be true there is no need for the change. I was in hopes that the minister would be able to announce to the House that the sales tax would soon be abolished along with the income tax and that the country would revert to the position occupied before the war, when we obtained our revenue from the two principal sources to which I have referred. I think such an announcement would be received with the greatest pleasure all over the country.

Mr. LAPOINTE: Why not abolish the customs duties as well?

Mr. HANSON: I did not include the customs duties. Does the Minister of Justice advocate the abolition of the customs duties, or is the government simply seeking to get away from a name which does not smell very sweet?

Mr. EULER: I think I have already answered the objection of my hon. friend.

Mr. HANSON: I am not objecting but I want a further explanation.

Mr. EULER: I am sure my hon. friend does not expect me to make any declaration of policy which would ordinarily fall within the purview of the Minister of Finance or the leader of the government. The bill deals with the situation exactly as it is to-day; it means nothing more and nothing less.

Mr. CHAPLIN: Is the department to be called the Department of National Revenue? Well, I do not like that word "national;" I think it might very well come out. The title Department of Revenue is good enough. You do not need the other word at all; it just clutters up the name and clutters up the section all the way through.

Section agreed to.

On section 2—Department constituted.

Mr. STEVENS: This is one of the most important clauses in the bill. The minister undoubtedly has been faced with very onerous and important duties in regard to this department, and I should like to ask him, first, has the commission or body of auditors that has been working for some time in the department considered this reorganization, and is it in accordance with their views? Have they made a report upon which this bill is founded?

Mr. EULER: I am not quite sure what my hon. friend means. Is he referring to the temporary committee that was appointed by himself?

Mr. STEVENS: Yes.

Mr. EULER: That committee has made a report, and while it does not recommend the creation of commissioners such as are contemplated by the bill, it has made a recommendation to this effect—I am just quoting from memory now—that the duties of the department might very well be so arranged that a good deal of the work that formerly devolved upon the minister might be transferred to the heads of departments. Under the former act a good deal of this work that is now done by the minister, unnecessarily I think, would have been assigned to the deputy minister. The hon. gentleman will have noted that we have not provided for a deputy minister; we propose to have instead three commissioners. The work of the department is so extensive that it might very well be divided and a principle of decentralization, if I may so call it, entered upon in the interests of efficiency and the despatch of business. It is the intention, I may say, to transfer a good deal of the work that fell upon the minister —and I think my hon. friend knows just to what extent he was imposed on in that regard —to these three commissioners that are to be appointed.

Mr. STEVENS: I entirely agree with the suggestion that a lot of the work which formerly was performed by the minister should be placed upon the shoulders of responsible officers such as these commissioners. The commission to which I referred was a commission consisting of Messrs. Clarkson, Gordon and Dilworth, and I think the chairman of the Civil Service Commission, the commissioner of taxation, the chief inspector of customs, and one other.

Mr. EULER: One of the auditors.

Mr. STEVENS: Yes, a representative of the Auditor General. Would the minister be good enough to lay on the table the report they have made up to the present because I consider that the report of that body is important and will be very helpful to us. I should like to refer also to the observation of the minister, in which I entirely concur, that over a great many years, in fact right along, some duties have been imposed upon the minister which are positively ridiculous. I recall very well that when I entered the department last July there were some eighteen hundred or more reports of seizures—most of them very very trifling ones, some of them relating to a value of three or four dollars, others $10, others $20—some of them of course important but others of the most trifling character; and there they were waiting for the personal signature of the minister. Whether it requires statutory power to remove these from the jurisdiction of the minister or not I am not sure. I know what I did, although my colleague who was acting in my place during my illness signed, I think, the most of these: I took the responsibility of instructing the acting deputy minister to dispose of these before they reached me at all, to make a final decision in the cases. It will be recalled that last year, when we were inquiring into the Customs department, one of the chief grounds for complaint, and the report of the special committee of parliament so found, was that seizures would be made and officers of the department would give them consideration, but before an official departmental finding was made, they would be referred to the minister; and if you will recall the wording of the report I think "an intelligent anticipation of the minister's wishes" was often secured before the finding was finally made by the department. I merely call attention to that for the purpose of emphasizing what

in my estimation was one of the greatest weaknesses in the former practice and one which should be corrected in this bill—whether it is or not I am not sure yet—and that is that the responsible officers of the department should make a final decision before a matter is referred to the minister. I would go further and say that that decision should be the only decision called for, except that an appeal might be made to the minister after such finding was made. Then the minister would find himself in this position—which I think would be a much more happy one than under the former procedure—that if an appeal were made to him by business men, or by political friends, or by anyone at all, he would be able to present to those people the final decision of the department in regard to the case—a given seizure we will say—and then, whether he changed that decision or overrode it, he would have to superimpose his finding upon that of the department and would have to take the final responsibility. It is easy to see what would happen. In most of the cases the minister would, in all probability, stand by the department, except perhaps in extreme cases where he was warranted in the light of new evidence in making a modification. And so I say to the minister that in so far as this section of the bill places that responsibility upon the officers of the department it has my entire support.

In subsection 3 of section 2 the division of the department is outlined. I will read it in order to bring it to the attention of the committee:

> The governor in council may appoint three officers who shall be the chief officers of the department, and who shall be designated as follows,—commissioner of customs, commissioner of excise and commissioner of income tax, and an assistant commissioner of customs may also be appointed. Such officers shall have such powers and perform such duties as may, respectively, be assigned to them by the governor in council or the minister, including the powers which by any statute are vested in the deputy head of a department.

I am not sufficiently acquainted with the subsequent sections of this act to recall whether or not the matter which I have already spoken of is covered. Do we by statute fix the rsponsibility for making findings upon these commissioners—that is, findings of a departmental character before reference is made to the minister for ultimate decision? Could the minister tell us that?

Mr. EULER: I would say for the information of my hon. friend that it is not so specifically stated in the bill, but his question is answered by a sentence or two which he himself just read—"such officers shall have such powers and perform such duties as may, respectively, be assigned to them by the governor in council or the minister."

Mr. STEVENS: That is the weakness, and I want the minister, if he will, to please accept this criticism in a spirit of helpfulness; I am not criticising him at all. I think this is a matter that parliament ought to decide. It is a matter that was deeply impressed on my own mind as a result of the investigation last session, as well as from my own brief experience in the department. That is, it should be removed from the power of the minister or of the governor in council from time to time to assign or determine the duties of these officers. I think the duties which they perform are of such great importance that they ought to be fixed by statute; we ought to fix in this statute the responsibilities which these officers shall bear, and among them is the one I have mentioned. For instance, in connection with customs, a definite determination in the matter of the disposal of a seizure should be made by the department, and that should be conclusive except that an appeal might rest to the minister; I have no objection to that. but let there be a decision by the departmental officials before such an appeal is possible. The same thing applies to sales tax, and the same thing would apply, in a measure, I presume, to income tax and excise tax. The principle I am advocating is that the departmental officials should make a decision in all these cases, and if a change in their decision is made, it must be one that shall appear on these documents themselves, as being superimposed upon the department by the ministerial head.

Mr. EULER: I quite appreciate the goodwill of the hon. member in trying to assist us in working out something that will be practicable and in the interests of the department. I think we are both aiming at exactly the same thing. In the clause from which I have just quoted, the governor in council or the minister is given the right to assign certain duties to these commissioners. I may say for the information of the hon. member and of the committee that it is my intention to refer the very matter of which he speaks, that is the matter of seizures, to these commissioners for them to make a decision, but I do not think it would be wise entirely to take away from the minister the final responsibility in any particular case. I understood my hon. friend was in favour of the minister retaining power to make a final decision in case of an appeal.

Mr. STEVENS: Let me put it this way, power to make a revised decision, but let there be first a decision by the department. I shall have to go back over my argument of a moment ago, because I think this is the most important part not only of this bill but in our whole effort to bring this great department back to some proper standard of organization. This is the point: Hitherto decisions have not been made by departmental officers.

Mr. EULER: You are wrong. The officers make the recommendation now before the minister even sees the report.

Mr. STEVENS: I am not wrong; I am decidedly right; in fact, the report last year dwelt upon that, that before a decision would be made the matter would be referred to the minister and his wishes asscertained, and then the decision would be made. We had case after case of that kind before the committee last year, dozens of cases, not of vital importance, but still of such importance as to cause us some apprehension. The departmental officers on the evidence were prepared to make a decision, but did not make it until they had referred the matter to the minister, and then changes and modifications would be made. Now my point is that the officers of this department shall decide independently of the minister and according to law the seizure, or whatever may be the case that comes before them. Then if the party affected considers himself aggrieved, he may make an appeal to the minister, and the minister may review the case. He might say: "I think my officers have been harsh in this matter; I think a penalty of $500 is too high, that $200 should be enough." Very good, but let him then superimpose on the decision already made by the departmental officers and already recorded, his own modification, and then whatever happens in the future, whatever inquiry is made, the minister himself will have to take the responsibility for the change. As it is now, it was disclosed time after time in the investigation that the officer who was supposed to make a decision made a decision that, as the report says, was repugnant to the facts, and very often repugnant to his own views in the case. I do submit to the House that if that practice is not corrected we shall not have accomplished what we ought to accomplish in the light of the evidence that was given before that committee. I do not think it is enough to place in the hands of the minister the power to direct that that practice shall be followed; it ought to be set out in the statute; in other words, the opportunity to make decisions that are not according to law ought to be taken out of the minister's hands. I am very plain in this, and I hope that the committee and the House will in this act correct what I think has been in practice the chief weakness in the whole department.

Mr. EULER: To me it seems to be practically a question as to what method shall be followed. I am not quite sure just what practice was followed in the department prior to my assuming office, but I am quite willing to accept what the hon. member says, that in many instances the minister expressed a desire and the officers made their decision in accordance with that desire, although it may have been contrary to the law or the spirit of the act. I may say for the information of my hon. friend, though, that at the present time, and since I have been in charge of the department, all decisions on seizures are first made by the officers of the department. It may be true—I think it is true—that too many officials are concerned in the decision; that is, the case passes through too many hands before it finally comes to the minister. As a matter of fact, I question very much whether generally speaking seizures should come to the minister at all. As it is now, every seizure that comes to the minister has already been signed by the acting deputy minister. So far as I am concerned, as a matter of practice, it becomes a question whether you want to tie the department down hard and fast by a specific statute, in a matter that is now a matter of practice, so far as I am concerned. Everything in the way of a seizure that comes before me had already been decided by the acting deputy minister. It is quite true that in some instances I review the decisions, and I understand from the hon. gentleman's remarks that he still desires that power to remain with the minister, so it comes down simply to a matter of method. That is the practice that now obtains. The officials of the department make their recommendation, and those decisions come to the minister for final signature. I understand my hon. friend is willing that in any case the minister should still have the final say. That is the case now. But the hon. gentleman desires to go further and make it obligatory by statute that before the minister can take any action whatever the officer of the department shall have made a decision.

Mr. STEVENS: Yes, there shall have been a departmental decision.

Mr. EULER: Yes, but he would leave with the minister power to make a change.

Mr. STEVENS: Yes, but any change the minister makes, any decision he superimposes,

should appear on the K-9. Let me go back a little. The decision now in the form of a K-9 report, drafted by the officers of the department, and recommended by the deputy, is presented to the minister, but that decision is not effective unless the minister signs it. It can be modified or changed before the minister signs it, and in practice frequently it has been changed. That was the main complaint as a result of the inquiry that was held last year, that decisions frequently were changed. My point is this, that the department should make a decision in all these cases without any reference to the minister whatever. If an appeal is made to the minister or any reference to it by the party affected, all right; let the minister have power to review it. He reviews it, but he reviews a signed and fixed document. If he changes it in any way he must assume the responsibility for making a decision opposite to that of the department.

Mr. EULER: Exactly what he is doing.

Mr. STEVENS: I gave instructions to the department to follow that course, and I am glad my hon. friend is adopting the same course. He will find that it will relieve him of a great deal of petty responsibility. I want to see that made obligatory in the statute. I think the present minister is a pretty strong man; I have no hesitation in saying that and I wish him well, but if a weaker minister came in, who might be inclined to play a little with the matter, we might get back to the same chaos as before.

Mr. VENIOT: What about the K-9 form?

Mr. STEVENS: It should be changed.

Mr. GUTHRIE: In glancing over the wording of the act, it seems to me there is some force in the objection taken by the hon. member for Lincoln (Mr. Chaplin). Paragraph 1 of section 2 establishes a new department and fixes its name. It is to be called the Department of National Revenue. Why the word "national" is included I do not know. It should I think be called the Department of Revenue. We have the Department of Finance; nobody would ever think of calling it the Department of National Finance. We have a Department of Agriculture; nobody would ever think of calling it the Department of National Agriculture. We have a Department of Public Works and nobody would think of calling it the Department of National Public Works. The word "national" is wholly unnecessary, though in the case of the Department of Defence it might be proper to use the word "national" as distinguished from "imperial", or "local", but in this case I think it is out of place. I do not know why it is included. Is there any reason for retaining it? To my mind it is much better to have a Department of Defence, a Department of Agriculture, a Department of Trade and Commerce and so on. There is a reason for retaining the word "national" in the Department of National Defence.

Mr. EULER: I might say the suggestion made by my hon. friend and by the hon. member for Lincoln was considered, and there is considerable force in it. It was thought perhaps since the revenues that are collected by the department are national in scope the word might be retained. I have no very strong opinion with regard to the matter and ordinarily I think I am of the trend of mind which would like to deal with things in the simplest terms possible, but it was felt by the government that perhaps the term "national revenue" carried with it just a little more dignity, if you like, and conveyed the thought that it was national in its nature. For that reason the name was kept and is printed in the bill, although there was some talk of striking it out. I have come to the conclusion the word "national" is a little more suitable than the other, although I have no strong convictions.

Mr. MANION: How many more positions does this make, if any more? I know there was a commissioner of customs and a commisisoner of income tax. Does this increase the number of highly paid civil servants? I am not particularly criticising any part of it. As far as the gentleman who has been appointed is concerned, Mr. Breadner, I think the whole House has a high respect for his great ability, but is there an increase in these commissioners?

Mr. EULER: I cannot give the exact figures. I do not think there is any increase at all, so far as expense is concerned.

Mr. HANSON: Is there a commissioner of excise?

Mr. EULER: Yes.

Mr. HANSON: I think this means another deputy.

Mr. EULER: No.

Mr. MANION: That was the point that struck me. Then in regard to the assistant commissioner, perhaps there has been an assistant to the commissioner of customs. I presume that would not increase the number, but does the minister know if this is going to increase the number. Mr. Breadner has been in charge of the income tax. Are the

other men who have been appointed officers who have been in like positions, or are they taking the places of men who have been in like positions?

Mr. EULER: Perhaps it is a little premature to speak of the personnel, because none of the men has been appointed, although I am quite willing to say that it is the intention to appoint Mr. Breadner as the commissioner of customs. He is now receiving a certain salary and will receive the same salary as commissioner of customs. When Mr. Taylor becomes commissioner of excise, he will receive a slight increase.

Mr. MANION: He was in the employ before?

Mr. EULER: Yes, as assistant deputy minister. The new commissioner of income tax will receive $3,500 less than Mr. Breadner receives as such commissioner.

Mr. MANION: I am not arguing particularly about the personnel, but taking the salaries, is there to be an increase?

Mr. EULER: Not an increase of salary.

Mr. MANION: Speaking collectively, in regard to the four positions, were the salaries paid to these men the same as will be paid after this bill comes into force; will there be increases in the salaries which we pay for the work being done?

Mr. EULER: Practically no new men have been added. As the reorganization of the department proceeds, and if we find it necessary to add other efficient men, I would not like to say we would not pay something more, because I intend it shall be done if advisable. I have not before me the exact figures of the salaries paid these men and I do not know whether it is going to mean a few hundred dollars more or less, but I am quite sure it will mean very little increase, if any at all.

Mr. MANION: That is really what I am trying to get at. I am not going to criticise the minister if he finds it necessary, in carrying out the work of the department efficiently, to pay a few hundred dollars more. But as I have pointed out before in this chamber, we have been increasing our civil service for very many years. When Mr. Crerar was in the House he took the matter up and discussed the figures for the different departments. I am not sure that the Minister of Customs did not back him up in regard to the great increase from year to year, going back twenty years. There was of course a gradual increase in the civil service, but I do not mean to criticise the civil service and do not wish to be put in that position. I have been here for ten years and I have noticed that every year there seems to be an increase. Instead of increases, I think, as we get away from the war, we should be cutting down the numbers in the service. I do not mean that officials should necessarily be discharged. I pointed out a way in which it could be done by not replacing men who had passed away, resigned, and so forth. In this way gradually we could lessen the civil service and bring it to a hunderd per cent efficiency. Formerly the income and sales taxes were being collected, and the customs and excise were being collected as at present. In other words, there has not been any increase in the duties.

Mr. EULER: Oh, yes.

Mr. MANION: I do not see why there should be an increase. We were collecting all these taxes formerly.

Mr. EULER: Not all of them.

Mr. MANION: According to the Minister of Finance, we are cutting down the sales tax and the income tax and there should be some lessening on that account. In my opinion, we should not go on year after year increasing the civil service of this country, and particularly highly paid civil servants. I think to-day we are plentifully supplied and over supplied with well paid civil servants. I think the minister, in carrying out the terms of the act, should keep in view the suggestions I make, because I may tell him frankly that I have a kindly feeling towards him. If after the act comes into force it means more jobs, or some new jobs for friends—I do not mean his friends particularly—I am going to criticise the department. I am not particularly blaming his government for doing it. Before the war all governments could afford to make positions, and they all did, but to-day it is the desire of the people to cut down the taxation that is pressing on them so heavily, and the only way is by keeping down the expenses of government. Fortunately we are improving and enjoying a reasonable amount of prosperity, due to a bountiful harvest and to other factors, which has made it easier for the Minister of Finance to collect large revenues, although he is always telling us that he is reducing taxation. But when we strike a period of depression we will find it doubly hard to pay for any increased staff. I submit again that the minister should make every effort to carry out the purpose of this bill in such a way as not to add to the public charges, because it is the desire not only of our business men but of the people

generally to do everything they can to reduce the number of high priced officials, and to get along even without low priced officials where they are not necessary, in order that the expenses of government may be kept within bounds.

Mr. EULER: I assure my hon. friend and the committee generally that I welcome any criticism and any suggestions, but I am rather surprised that the criticism should take this form.

Mr. MANION: It is rather a suggestion than a criticism.

Mr. EULER: There is no disposition to add to the cost of the service. Let me draw the attention of hon. members to the clause under debate. We are proposing to appoint three commissioners and one assistant commissioner, who will be charged with improving the administration of the department, and assuredly it has been under severe criticism. I may tell hon. members, including my hon. friends on the other side, that I am earnestly desirous to have the department conducted in the most businesslike way that is possible.

Mr. MANION: Hear, hear!

Mr. EULER: That is my intention. I would be very glad if my hon. friends would criticise or make suggestions with regard to the scheme itself, that is, dividing the work of the department into three main branches, placing one commissioner, who is an expert in his own way, at the head of each of those branches, and an assistant commissioner of customs, investing each with full responsibility. Is there any criticism that in this I am adding too much to the expense of the department? I think not. It seems to me that the criticism might very well be confined to a discussion of what is actually proposed in the reorganization of the department. As I said before, if it becomes necessary to add other officers, and it may be, I shall have no hesitation in asking the Civil Service Commission for additional assistants, but I do not propose for one moment to permit the Customs department or the Excise department, or the Department of National Revenue if you like, to become a sort of refuge for politicians. What is proposed is entirely with one thought only—to put the department on a sound business basis. I repeat, there has been too much centralization, everything has been "funnelled" towards the minister, with the result that he has had to deal with a great many trivial things with which he should not be troubled at all. I propose that the work shall be divided with a responsible head put in control of each branch, without too much interference from the man at the top. I hope it is a good solution of the situation. I believe it is, and I should like to try to work it out.

Mr. HANSON: Will the minister give us similar assurance with respect to the outside service, because I observe in my province that that service is being made a place of refuge for political friends, and this has been done since the minister took office. If he wants concrete illustrations I will furnish them to him.

Mr. EULER: I should like to have them.

Mr. HANSON: I do not want to mention names across the floor.

Mr. EULER: I should like to know of any such cases.

Mr. HANSON: The defeated candidate in the county of Victoria-Carleton in the late election has been appointed to a position in the department. I am not criticising the appointment—he was an ex-sheriff and, I believe, will make a good officer.

Mr. EULER: That is the answer.

Mr. HANSON: But he was appointed because he was a defeated candidate.

Mr. CANNON: No, in spite of that.

Mr. CHAPLIN: In confirmation of the remarks made by my hon. friend from Vancouver Centre (Mr. Stevens) I want to say to the minister that owing to the action of a former minister it was impossible to have a suit brought against a delinquent for sales tax unless the minister prsonally agreed to such action being taken. Is not that so? Now, under this clause the minister is still left absolutely in control. My hon. friend in speaking about the matter said that when a man became delinquent in payment of taxation suit should be entered against him irrespective of the minister's authorization; the case should be proceeded with as a matter of right to the country. I happened to be in charge of the department for a time and I found hundreds and hundreds, yes, thousands of cases where people in arrears with their sales tax for months had not been proceeded against.

Mr. EULER: Mr. Chairman, I do not desire to embarrass the hon. member for Lincoln (Mr. Chaplin), but as acting minister of the department for a month or two he knows the difficulties in collecting the sales tax. I am not speaking by the book, but I suppose there are some 1,700 or 1,800 overdue sales tax accounts. If, as he says, the officers

should be permitted in all cases to bring suit without reference to the minister whatever, I am surprised that he did not issue orders to that effect.

Mr. STEVENS: They were given.

Mr. CHAPLIN: I issued such an order and had it put on file.

Mr. EULER: Generally speaking, I think that course should be followed, and it will be in future; but my hon. friend knows there are many cases of arrears in which it is almost impossible to bring suit successfully, and these cases constitute a very serious problem.

Mr. CHAPLIN: I admit there are lots of cases where the accounts are absolutely outlawed, the delinquents having gone out of business.

Mr. EULER: The accounts are not outlawed.

Mr. CHAPLIN: They are outlawed because of the fact that those in default have gone out of business, and there is no more chance of collecting the arrears than there is of getting a snowball of last winter.

Mr. EULER: I am referring to those men who are still in business. He knows as well as I do that in such cases we are not always justified in bringing suit and putting men out of business.

Mr. STEVENS: I appreciate what the minister says, but he still—

Mr. EULER: I get the hon. member's point.

Mr. STEVENS: He gets my point, but he will not admit it. My colleague and myself both gave instructions to the officers of the department that, where in their opinion it was wise to take action, they should do so without reference to the minister. Let me read the report. I quoted it pretty accurately, but not the exact language. This is the report which was recommended to the House by the committee of last year. I am not going to refer to the reflections which it contains regarding certain officers. I will pass over that and come to the findings:

> The committee finds that this procedure—

That is the one outlined, which is cited in the report and which has been followed for so many years.

> —was not followed. Although, as a rule, the facts are correctly recited in the summary submitted to the minister, the opinion is not infrequently at variance with such facts, and the recommendation is so drawn as to elicit a decision to which such facts are repugnant. This discrepancy is accounted for by the fact that the report upon the evidence was in many instances preceded by a conference, and the recommendation was dictated by an intelligent anticipation of the minister's wishes in the premises.

Section 8 of the report goes on to say—and this is the point which I really wish to make:

> The committee is of opinion that the administrative duties of the Department of Customs and Excise should be left to the executive officers of the department.

Then it adds:

> Where the value of the goods or the amount in question is $200 or more the procedure should be automatic and not subject to ministerial interference or control.

What we are asking and what I am urging—and if this is not accepted by parliament I shall consider that the work of that committee of last year will be largely a failure—is that in all matters of routine procedure, such as dealing with seizures, the decision should be left to the executive heads of the department, and that the statute, which as a matter of fact does not permit this at present, should be amended so that the executive heads of the department shall make the decision. I have no objection to an appeal being made to the Treasury Board, the minister, the governor general in council, or a body of that kind, but such appeals would be very few if the department made the decision first. I was endeavouring to devise a suggested amendment but I have not yet been able to do so. It is a very complicated matter. What I was going to suggest to the minister was that in section 3 which designates the three commissioners and says that—

> Such officers shall have such powers and perform such duties as may, respectively, be assigned to them by the governor in council or the minister

—we should make clear the recommendation of the committee of last year, that is, that decisions in all matters of seizures and questions of prosecution for delinquent taxes should be made by the executive heads of the department. I do not mean that we should pass a statute legislating the minister out of any part in the matter, but I would have the appeal to the minister come after the decision and not before. That is the point I am making. Further, prior to the time that I entered the office, the practice was to undertake no prosecution without the specific instructions of the minister. Undoubtedly the practice over half a century had been that the minister would hear and allow himself to be approached by those affected, friends or

otherwise, before he would issue authority to prosecute. My point is that that is too difficult a position to put any minister into where such a large number of cases are involved and that without reference to the minister action should be taken where the law is violated, if in the judgment of the executive it is desirable to take such action. Then if reference is made to the minister he can review the case after action has been taken.

Mr. EULER: As regards the effect, I think the hon. gentleman and I are in entire accord, because the clause states:

> Such officers shall have such powers and perform such duties as may, respectively, be assigned to them by the governor in council or the minister.

Under that power I propose to give the commissioners exactly that authority of which my hon. friend now speaks. I am rather surprised and disappointed that he is not accepting my suggestion. As regards the suggestion that the minister should divest himself entirely of the responsibility which should rest on every minister, I should not like to accede to that. It seems to me that with this provision and the intention—and there is the expressed intention to give to these commissioners the power which my hon. friend wants to have conferred specifically by statute—we should be content. It is a matter of opinion. I feel at the moment we should not carry it any further than that, because after all we have a responsibility in the matter.

Mr. STEVENS: I may say that instructions to that effect were given last summer in writing by myself and my colleague to the acting deputy minister, Mr. Taylor. That is all right, but the minister, I thought, would concede the point that it would be better to make this statutory than to leave it a question of the opinion of a minister. The minister must dissociate himself from this thing, because this is something we are going to carry on as a matter of policy in this country, whoever may happen to be minister. My point is that it should be made a part of the statute; that the appeal to the minister should not be removed, but should come after the decision and not before.

Sir EUGENE FISET: Does my hon. friend mean a decision in writing by the official?

Mr. STEVENS: Unquestionably.

Sir EUGENE FISET: Then what prevents the official, even if he has the statutory power, from consulting with the minister before giving his decision in writing?

Mr. STEVENS: Nothing whatever.

[Mr. Stevens.]

Sir EUGENE FISET: Then the statutory power the hon. member suggests is useless.

Mr. STEVENS: No. If my hon. friend will follow me he will see my point. First, the department or the commissioner will have to take the full responsibility of the decision. There will be no excuse as there was last year when we examined into scores of these cases, where the invariable answer was: Well I consulted with the minister and the minister instructed me so to do. If the matter were statutory, the official would have to assume full responsibility for his written decision. If the minister wished any other decision made he would have to put it in writing equally as clearly after the first decision by the departmental officer, and he would have to assume full responsibility for his written decision.

Sir EUGENE FISET: I quite realize that, but what prevents the official, before he gives his written decision, from consulting with the minister? Nothing whatever.

Mr. STEVENS: But if he is called in question he cannot hide behind the minister. He must stand by his written decision because the law would lay that responsibility upon him.

Sir EUGENE FISET: But his written decision may have been affected by his consultation with the minister. I have had some experience in the matter.

Mr. STEVENS: He cannot take refuge in the statement that he consulted his minister and the minister so instructed him. If I had my way the minister would have no right to instruct his officers. That is the point I am making. As the matter stands now I could go down to the Customs department and blindly pick out literally hundreds of decisions as regards which, if you cornered the official and asked him why he made the decision, he would tell you he made it after consultation with the minister.

Sir EUGENE FISET: How can you carry on otherwise? If you prevent an official of the department from consulting with his minister, I do not see how the work can be carried on. Two-thirds of the decisions given by deputy ministers or other high officials of any department, especially in important cases, are given after consultation with the minister. I do not see how you could possibly have it otherwise.

Mr. STEVENS: I am not trying to prevent that, but I would fix the responsibility. I would say further that when I went into

that office there were some 2,200 of these documents piled on tables waiting for the decision of the minister. I became ill trying to catch up with them and my hon. friend took up the task while I was in the hospital.

Sir EUGENE FISET: Could you not account for that by the fact that the inquiry was proceeding at that time?

Mr. STEVENS: No, my hon. friend is wrong. These were ordinary routine seizures, involving trivial amounts such as $2, $5, a pair of silk stockings and I remember one seizure of a bonnet which was smuggled in. Yet the minister who happened to be there at the time was supposed to sign every one of those seizures before they could be disposed of. My point is that form K-9 should be changed so that all such matters would be disposed of by the signature of the commissioner, and the minister would never see them unless the decision of the commissioner was appealed.

Sir EUGENE FISET: I am not criticising the suggestion of my hon. friend, but that does not need to be fixed by statute. Surely you have sufficient confidence in a minister of the crown to allow him to give the necessary instructions, either through orders in council or by departmental rules.

Mr. STEVENS: I have confidence in this minister, of course, and I think so long as he is there that will be done. I am equally persuaded of this fact, though, that as we drift away from this controversy which arose last year, affairs in the department may revert to their previous condition. Let me read what the final report of the special committee contained:

> The evidence submitted to the committee leads to the general conclusion that for a long time the Department of Customs and Excise had been slowly degenerating in efficiency....

I want to try, by statutory arrangement, to minimize that tendency to slow degeneration, and I want to say very frankly that I have every confidence in the present minister. But he knows very well, as we all know, that like others he will leave that office and others will step in. They may come from this side of the House or the other side; I do not care what their politics may be; familiarity breeds contempt, and I want to surround that department from the experience of the past with such safeguards as will very largely eliminate that tendency. Let me state further that a high official of the government such as the commissioner of customs, and his immediate assistants, in handling these matters of routine day after day is more likely to be precise and exact than is the minister who is open to appeal from his friends all over the country, and to whom people believe they have a right to appeal. I am not even going to prevent that, but if I have my way the decision of the executive officers of the department, of the professional staff if you like, shall be definitely given before the minister has an opportunity to change it. That is my point.

Mr. McQUARRIE: Referring to subsection 4 of section 2 I would ask how this bill affects the status of the present employees of this department, because I do not see anything at all in the bill which maintains their standing. I suppose it is the intention of the government that those who are now employed shall continue to be employed by the new department, and that it will not be necessary to reappoint those officials who are in office at present. There is another matter, in connection with the salaries of the employees of this and other departments. If we can believe reports which appeared in the Ottawa papers, the Prime Minister stated the night before the election that there would be a salary revision and that it would be brought up at this session, but so far we have seen no evidence of it, and it is now suggested that it will be left over until a later time, I think that would be most unfair; the matter has been too long delayed already. In supporting the remarks of the hon. member for Fort William (Mr. Manion) I would suggest to the minister that while it is necessary in the reorganization of the department to cut out all the dead wood, at the same time those men who remain in the service should receive a fair and adequate salary. I believe they should receive reasonable salaries in any event, which is not the case with some of them at the present.

Mr. RINFRET: The question now raised by my hon. friend has no direct connection with this bill, since it concerns the civil service at large. The salary revision is now under consideration and will be dealt with in due course.

Mr. EULER: I might say to my hon. friend that the passing of this act has no effect whatever on the officials now employed by the department; they remain in just the same position.

Mr. McQUARRIE: What section preserves their status?

Mr. EULER: There is nothing to change it.

Mr. McQUARRIE: The Customs and Excise Act is repealed; what act justifies their retention in office?

Mr. EULER: I do not know what reply I can make except to say that none of the rights of the officers of the department is assailed in any respect by this act. They remain members of the civil service, subject to its regulations, and they will receive the salaries they received previously. Their position is not altered in any respect.

Mr. KENNEDY: I would like to back up the suggestion made by the hon. member for Vancouver Centre (Mr. Stevens). After last session I cannot help but feel that a great many of the decisions made in the department for some years before the investigation would never have been made at all if the deputy minister had been responsible for them, and if the minister had to accept sole responsibility for any reversal of that decision. A great deal of the trouble seemed to arise because of the fact that responsibility was not fixed in that way. I do not see any reason why a minister should have to deal with the routine business of the department; I do not believe he has the time and I do not believe he is half so well qualified to do so as the deputy minister, I believe the minister would save himself a good deal of trouble if he would adopt that suggestion. It was perfectly obvious from the evidence last year that the minister was constantly bothered with people who were supposed to have influence with him in dealing with cases connected with smuggling. It appeared to be a regular thing for people who were influential in the party to which the minister belonged to plead with him in connection with these cases. I do not know why that consideration should obtain at all in a case concerning smuggling or a breach of the law. It was simply an effort to use political influence in order to have the fine or penalty made smaller, and for that reason I believe the routine business and the decisions so far as possible should be attended to by the deputy minister, who should take the responsibility. Then if the minister wishes to reverse that decision he may do so, and in so doing clear the deputy minister of all responsibility.

Mr. EULER: I do not want to prolong the discussion, but I would not like the impression to go abroad—which might happen from the remarks of my hon. friend—that it is not the intention of the department in future to have the decisions made by the commissioner of customs, we will say. It is the intention of the department that the minister shall make these decisions—in fact that these cases shall never come to the minister for decision at all.

Mr. CHAPLIN: You said it was intended that the minister should make the decision.

Mr. EULER: I meant to say it was the intention that the commissioner shall make the decision. It is not the intention in actual practice that the decision shall finally come to the minister at all. I think my hon. friends who were in office will agree that it is merely a matter of procedure. I should like to inform my hon. friend from Peace River (Mr. Kennedy) that as a matter of fact the words in the bill provide for that very thing:

Such officers—

That is the commissioners.

—shall have such powers and perform such duties as may, respectively, be assigned to them by the governor in council or the minister—

And so on. Those are exactly the powers that we propose to assign to these commissioners—that they shall make these decisions and that such decisions shall be final. There is, of course, an appeal to the minister, as is advocated by my hon. friend from Vancouver Centre (Mr. Stevens). I think after all there is very little difference between what he advocates and what is proposed here by myself: It is merely a matter of method.

The question was raised by the member for Rimouski (Sir Eugene Fiset) that there is nothing to prevent a commissioner, if he likes, from going to the minister and getting his opinion as to what sort of decision he wants made on a certain seizure. I should like to say to my hon. friend that if that commissioner can be influenced by his minister to make a wrongful decision he will not be very much afraid of what his minister may do, because after all he is entirely under the control of that minister. If that commissioner is of such a mind that he will do things wrongly asked of him by the minister he is not very apt to be very much concerned as to the right or wrong of what he does, because he has the protection, and he is entitled to it, of the minister who asked him to do that wrong thing. In connection with that point I should like to say that I think it is not unfair to ask, after all, that where there is responsible government we must place a certain faith and a certain confidence in the minister in charge of the department. There is a certain responsibility that ministers must assume, and if they disregard that responsibility, or if they violate the trust that is placed in them, they are responsible to the people and to the parliament of Canada, and

will be dealt with. For that reason, and believing that the result we both aim at will be accomplished under this bill, I do not really feel inclined to accept any modification of the measure as it stands now.

Mr. STEVENS: I think I can see a very happy way out of this little difficulty, and I should not like to pass this clause with any feeling that either myself or any other members of the committee were not fully satisfied. Would the minister consider amending the Customs Act—I think the same thing would apply to the Excise Act—particularly such sections as 174, 175, 176 and 177 which deal with this very question? I have not the act itself under my hand, but there is a résumé of it in paragraph 7 of the report of the committee of investigation of last year. I will read this briefly and then the committee will see exactly what my point is.

Mr. EULER: What are the sections of the act?

Mr. STEVENS: I am going to quote paragraph 7 of the report of the special parliamentary committee, if the minister has it.

Mr. EULER: But referring to what sections of the Customs Act?

Mr. STEVENS: Sections 174, 175, 176 and 177. The paragraph which I desire to quote reads as follows:

> Upon making a seizure the collector or seizing officer forthwith reports the circumstances of the case to the commissioner of customs (section 174). Thereupon the commissioner notifies the owner or claimant of the thing seized, stating the reasons for the seizure, and calls upon such owner or claimant to furnish within thirty days any evidence he may desire to submit. (section 175). After the expiration of thirty days or sooner, if evidence is forthcoming on the part of the owner or claimant, "the commissioner may consider and weigh the circumstances of the case and report his opinion and recommendation thereon to the minister".

I pause here to suggest that instead of saying that it should be amended to say "he shall thereupon make his decision." That is, instead of the commissioner reporting his opinion and recommendations, he shall make a decision on this evidence. That is section 176. I continue reading:

> The minister thereupon either gives his decision and states the terms upon which the thing seized or detained may be released or the penalty or forfeiture remitted or refers the decision to the court (section 177).

Now my point is this. The minister should amend the act so as to impose the responsibility for the decision upon the commissioner, and then add a clause to provide that the claimant may make an appeal to the minister or to the governor in council—to whatever body he may choose. But if the committee can get my idea of this matter, and if the minister himself would appreciate it, I think it will save untold trouble in the future. That is let the officers of the department decide under the law and by the law what the disposition of the case shall be. Let there be an appeal to the government through the minister, or to the minister himself if he will, but let the officer make the decision. If the minister would agree to bring in an amendment to the act to give effect to these suggestions I think that would meet the case entirely.

Mr. EULER: Am I correct in assuming that the suggestion is that instead of making the proposed change in the bill under discussion it should be made in the Customs Act?

Mr. STEVENS: Yes.

Mr. EULER: I may say to my hon. friend that I introduced a bill yesterday dealing with certain amendments to the Excise Act. Another one will be introduced dealing with amendments to the Customs Act, and if he is content to let this bill pass in its present form I am willing to take his suggestions into consideration when the customs and excise acts are under consideration. Will that be satisfactory?

Mr. STEVENS: Yes. I believe the minister is sympathetic towards my viewpoint and that he wants to accomplish the same end as I do.

Mr. EULER: Absolutely. I will give consideration to my hon. friend's suggestion.

Mr. MATTHEWS: Before the clause passes I should like to express my pleasure that a scheme of this kind has been drawn up, and that provision is now being made for the collection of the revenues of the country. The proposal brought in under this clause seems to me to be a business proposal such as we would expect from a man of the efficiency of the hon. minister, and I am very glad to see that he has made this provision for the collection of the national revenue. To my mind one of the great faults in our administration is the lax way in which these revenues have been collected. The machinery is now being provided for correcting that, and I believe that under the minister it will be put into force. I want to express my pleasure that this is being done because I believe it will result in greater efficiency in collecting the revenues.

Mr. EVANS: I am not satisfied that the point with respect to the exercise of power by the minister has been cleared up. It seems to me that the minister may give a decision and in doing so go entirely beyond a strict interpretation of the law. I think the inquiry conducted last year demonstrated the fact that a great many decisions made were of that character. Such a thing as that tends to weaken the whole act. I do not believe the minister himself would wish to have such a power. I think it is not too much to say that years ago ministerial decisions were made simply from the point of view of political expediency. In my opinion the point ought to be satisfactorily cleared up, instead of allowing something to be enacted which would have the effect of weakening the entire act.

Section agreed to.

On section 3—Powers and duties of minister.

Mr. EULER: This is the same as in the old act.

Section agreed to.

Section 4 agreed to.

On section 5—Minister of National Revenue substituted for Minister of Customs and Excise, etc.

Mr. STEVENS: I have a suggestion to make to the minister. It will be noted that this and other clauses in the bill change the designation of the minister and of certain acts. The revising of the statutes is going on at the present time, and I would like to ask if any care has been taken to see that the revised statutes are made to harmonize with these changes? It would be rather ridiculous that we should have a revision of the statutes covering a long period of time if the revision did not take note of the changes made in nomenclature by this legislation; in that case, the revision would not be up to date. For instance, clause 5 substitutes "the Minister of National Revenue" for "the Minister of Customs and Excise", and it refers also to the Business Profits War Tax Act, the Income War Tax Act, the Customs Act and the Excise Act. These are some of our chief statutes, and I think immediate attention should be given to see that any changes made in the designation of these statutes are followed in the revised statutes.

Mr. EULER: The bill was drawn up by the law officers of the crown, and clauses 5, 6 and 7 are inserted specifically for the purpose of making them harmonize with related statutes.

[Mr. Matthews.]

Mr. STEVENS: Yes, but see the confusion if the revised statutes come down with the old nomenclature. For instance, the Minister of Customs would be referred to all through the revised statutes, and here we have a statute changing that designation.

Mr. EULER: I can assure my hon. friend that I will bear that point in mind and take the necessary precautions.

Section agreed to.

Section 6 agreed to.

On section 7—Acts repealed.

Mr. STEVENS: This repeals the statutes, I understand, creating the Department of Customs and Excise?

Mr. EULER: Yes, in accordance with the creating of new officials.

Section agreed to.

Schedule agreed to.

Preamble agreed to.

Bill reported.

Mr. STEVENS: I am going to ask the minister if he would be good enough to endeavour to bring down at the next sitting of the House, before the third reading is taken, the two amendments to the Excise Act and the Customs Act, and give consideration to the proposals we have made.

Mr. EULER: The Excise Act amendment was introduced yesterday.

Mr. STEVENS: Yes, but would the minister give consideration to the proposals we have made and give an expression of opinion regarding them?

Mr. EULER: I will do that.

CANADIAN NATIONAL RAILWAYS

REFUNDING OF FINANCIAL OBLIGATIONS

Hon. CHARLES A. DUNNING (Minister of Railways and Canals) moved that the House go into committee to consider the following proposed resolution:

Resolved, that it is expedient to bring in a measure respecting the Canadian National Railways to provide for the refunding of certain maturing financial obligations, and to issue substituted securities therefor guaranteed by the Dominion as to principal and interest, but not exceeding $20,000,000, the aggregate face value of the original securities.

Motion agreed to and the House went into committee, Mr. Johnston in the chair.

Mr. DUNNING: Mr. Chairman, this resolution precedes the bill which I hope to introduce immediately to provide for the refund-

ing of $20,000,000 of three-year four and one-half per cent notes issued three years ago by the Canadian National and guaranteed by the government. There is no general provision for refunding Canadian National maturing securities, and hence it is necessary to come to the House and secure authority with respect to each issue as it matures.

Mr. STEVENS: Of course, these refunding securities will be issued in the name of the Canadian National and be guaranteed by the government?

Mr. DUNNING: Yes, as are the securities which are being refunded. They are Canadian National guaranteed securities.

Mr. STEVENS: Is it the intention to issue notes or bonds?

Mr. DUNNING: That will be quite open under the legislation. We are hoping to refund in the form of bonds, but there is no obligation to adopt either form. It depends on which method of financing proves to be best under the circumstances, and it is subject to the approval of the Minister of Finance.

Mr. STEVENS: The government is not in a position to advise whether the refunding securities will be just temporary financing or bonds issued for a considerable term?

Mr. DUNNING: I am not in a position to advise as to that. These securities mature in the month of July, I think, at all events, in one of the summer months, and definite arrangements for re-financing have not yet been made, and cannot be made until the authority asked for by this resolution is given.

Resolution reported, read the second time and concurred in. Mr. Dunning thereupon moved for leave to introduce Bill No. 121, respecting the Canadian National Railways and to provide for the refunding of certain maturing financial obligations.

Motion agreed to and bill read the first time.

DEBTS DUE THE CROWN

ADJUSTMENT OR DISCHARGE OF AMOUNTS DUE ON SEED GRAIN AND OTHER ADVANCES

Hon. CHARLES STEWART (Minister of the Interior) moved that the House go into committee to consider the following proposed resolution:

Resolved, that it is expedient to bring in a measure respecting certain debts due the crown, to provide that the governor in council shall have power to make regulations providing for the apportionment and adjustment of indebtedness incurred for advances of seed grain, fodder for animals and other relief, and to discharge and release in whole or in part any moneys due to His Majesty in respect of either principal or interest or both, as may be considered equitable in the circumstances.

Motion agreed to and the House went into committee, Mr. Johnston in the chair.

Mr. STEWART (Edmonton): This resolution undoubtedly deputes fairly wide power to the governor in council, but the negotiations will be carried on with the provincial governments, the municipalities and the loan companies. It has to do with advances that were made for seed grain and relief over a long term of years. Of course where the security has been taken and registered the crown usually gets all the money that accrues from the sale of any of the properties. In many cases the matter of adjusting these old accounts is difficult because of foreclosure proceedings having been taken by loan companies. In the southern portion of Alberta and Saskatchewan we made a new experiment. We set aside a portion of the land in those provinces that was homesteaded, and upon which in many cases the patent was earned, and to the settlers on these lands a considerable sum of money was advanced for seed grain, for fodder and for other relief. But we are undertaking now, under a commission representative of the federal and provincial governments to induce the settlers on that area to discontinue agricultural pursuits and to go back to the old and tried business of ranching. This transformation has caused a good deal of trouble. I suppose seventy-five per cent of the settlers have abandoned the land, and it becomes a question of arranging an amicable adjustment of the indebtedness. There is indebtedness to machine companies, to banks, to mortgage loan companies, and indebtedness in taxation to the provincial government. The bill is intended to give the department power to deal with just such cases as that, to forego, should it be considered advisable, our right to the full indebtedness. In many cases the federal government does not get the full indebtedness and the whole thing is tied up.

Mr. STEVENS: At present has the government a prior charge?

Mr. STEWART (Edmonton): In many cases we have. Some more recent advances since 1915 are not prior liens; the advances made since that time, by the municipalities particularly, rank with other creditors. The loans made in 1915, however, are prior liens. The object of the measure is to give us power to negotiate with the provinces, the municipalities and the loan companies, which are the three bodies that hold encumbrances

against the lands in question. I would have preferred to have the act do what we will have to do largely by regulation, but on account of the difficulty of that we are asking for fairly wide powers. As we are not dealing with individuals but with municipalities and provinces, it is necessary to have this power without handicap in order that the indebtedness registered against these lands may be adjusted.

Mr. KENNEDY: How much money is involved?

Mr. STEWART (Edmonton): I am unable to say offhand. I think the last report we had placed it in the neighbourhood of almost a million dollars. There is, of course, in addition the indebtedness against the pre-emption land.

Mr. CARMICHAEL: I understood the minister to say that this provision was made to take care of a condition in southern Alberta and southern Saskatchewan. Does it also apply to lands situated elsewhere in those provinces?

Mr. STEWART (Edmonton): It would be general, yes. It would apply to all lands upon which loans have been made for fodder, relief, or seed grain, no matter where located, but they are principally in the southern parts of those provinces.

Mr. CARMICHAEL: I had in mind land that had been taken over by the municipality under tax sale proceedings. I have had several cases referred to me for adjustment by the department, and the department said they had no authority under the act to do anything. Would such cases be covered?

Mr. STEWART (Edmonton): Yes, that is exactly the kind of case we are covering in this act.

Mr. CAMPBELL: Where does the government stand in regard to loan companies? I presume in all cases the government claim is prior to that of loan companies.

Mr. STEWART (Edmonton): Yes, in 1915 priority was taken by the act over all encumbrances, but there are some cases since then in which that priority was not taken, relief being issued jointly with the province. There are not, however, many such cases. Most of the cases that are difficult to settle are those in which by act of parliament a priority of lien was taken by the government for the advance.

Mr. CAMPBELL: I presume that in cases where the loan companies' claims are prior to those of the government they would hardly agree to surrender a share of their equity to the government; on the contrary, in cases where the government's claims have precedence this bill, it seems to me, proposes to give the loan companies a share in those prior claims.

Mr. STEWART (Edmonton): In the case mentioned by my hon. friend from Kindersley (Mr. Carmichael), the government have priority of lien against all comers, so anything we are willing to forego is really a concession to the province or to the municipality, and in some cases it might be a concession to the loan companies.

Mr. STEVENS: Would the minister be good enough to have a statement prepared covering these different classes of obligations and lay it on the table before the bill is dealt with? I think with that information before us we could deal with the matter very much more intelligently.

Mr. EVANS: I should like to bring to the attention of the minister certain cases where tenants bought seed grain and fodder without the consent of the owners of the land, with consequent hardship to the latter. Will those cases be dealt with under this bill?

Mr. STEWART (Edmonton): There are some cases where registration has been made against the property without the consent or knowledge of the owner. In 1914 or 1915 seed grain was issued fairly rapidly, and the security taken later, with the result that in many cases we found that the owners declined to assume liability. As the crop was growing we had to register a lien against the property. But I think it goes without saying that some owners were quite unaware of the transaction. However, having a registered claim against the property for the issue of seed grain, whether the owner was notified or not, we have no authority to give any consideration, but must collect the full amount if it can be obtained from the property. The provincial authorities now take charge of the distribution and make certain that the owner is cognizant of the fact that an issue is being made to the tenant for fodder or seed grain.

Mr. ROSS (Kingston): Is there any time limit?

Mr. STEWART (Edmonton): This comes into effect only when there is an adjustment on the property. We do not make adjustments until the property is sought to be disposed of. We try to collect, of course, but it is rather a hopeless job.

Resolution reported, read the second time, and concurred in. Mr. Stewart (Edmonton)

thereupon moved for leave to introduce Bill No. 122, respecting certain debts due the crown.

Motion agreed to and bill read the first time.

FOOD AND DRUGS ACT, 1920, AMENDMENT

Hon. J. H. KING (Minister of Health) moved the second reading of Bill No. 105, to amend the Food and Drugs Act, 1920.

Motion agreed to, bill read the second time, and the House went into committee thereon, Mr. Johnston in the chair.

On section 1—Definitions—"Dominion analyst"—"Drug."

Mr. STEVENS: Mr. Chairman, will the minister be good enough to give an explanation of these clauses?

Mr. KING (Kootenay): It is proposed to define the term "Dominion analyst." We have many officers in the department who under the civil service regulations are classified as chemists, or in some other way. Under this amendment it will be within the power of the lieutenant-governor in council to designate who shall be an analyst, including the chief dominion analyst and the assistant chief dominion analyst.

Mr. STEVENS: Would this place it within the power of the government to designate a druggist or chemist anywhere in the country as an analyst for the purpose of this act?

Mr. KING (Kootenay): Yes, it would give us that power.

Mr. STEVENS: Will the minister explain the reason for sub-clause (2)?

Mr. KING (Kootenay): It is proposed to extend the definition of the word "drug" to include the use of antiseptics and prophylactics, such as vaccines.

Mr. STEVENS: This is a technical subject and I am sure not many of us are familiar with it. What is the need or the demand for this?

Mr. KING (Kootenay): The original definition read:

"Drug" includes all medicines for internal or external use for man or animal.

It is considered by the departmental officials that that definition is not wide enough in itself and we propose to amend it to read as follows:

"Drug" includes all medicine for internal or external use for man or animal; and any substance or mixture of substances intended to be used for the treatment, mitigation or prevention of disease in man or animal.

By the addition to the section of these words, antiseptics and prophylactics such as vaccines would be considered as drugs and I think it is essential that they should be included.

Mr. ADSHEAD: According to this definition a mustard plaster would be included.

Mr. KING (Kootenay): A mustard plaster would be all right.

Mr. ROSS (Kingston): A better way would be to include all drugs as contained in some standard book.

Mr. KING (Kootenay): That would not give the extent or width that is desired by the department. The British Pharmacopœia would not give you what you wish. Many drugs are being used that are not included in it.

Mr. ROSS (Kingston): Antiseptics are as old as the hills.

Mr. KING (Kootenay): Under the present definition neither antiseptics nor prophylactics such as vaccines would be considered as drugs. At least that is the opinion of departmental officials who have been administering the act.

Section agreed to.

On section 2—Regulations.

Mr. KING (Kootenay): This is an important clause, dealing with the standardization of certain patent drugs. In the act as it exists to-day section 4 reads:

Recognized in the latest edition of the British Pharmacopoeia; or, recognized in the latest edition of any foreign pharmacopoeia; or which is not recognized in any pharmacopoeia but is found in some generally recognized standard work on materia medica or drugs.

It is proposed by this amendment to bring in a schedule and this would provide for a standardization outside of what is known as the usual pharmacopœia standardization. If the hon. member will refer to schedule B, he will find that the drugs mentioned there are very potent, such as strophanthus, digitalis, ergot and other vegetable preparations, pituitrin, thyroid, adrenalin and so on. It has been found in modern practice that in order to arrive at a proper standardization for these drugs certain biological tests must be made. It is the purpose of this clause to provide that standards will be set up through biological tests and that those who are engaged in the manufacture of these drugs shall be licensed, shall have proper laboratories,

and shall be subject to inspection. It is further provided that each batch of the drugs made in those laboratories shall be subject to examination by the laboratories of the Department of Health. This, I think, meets with the approval of the profession, because it is essential that these drugs shall have a standard. It will also meet with the approval of those who are engaged in the manufacture of these drugs, and the people generally will benefit by having better drugs.

Mr. STEVENS: For the last fifteen or sixteen years I have been strongly in favour of strengthening the hands of the department in connection with this Food and Drugs Act. I am, however, aware that it is possible to abuse a good thing. I am not suggesting that this act does so abuse that privilege, but what gives me a little concern is this: we have an act at present that is exceedingly technical. I confess it is beyond my capacity to pass any reasonable judgment on the sections as we come to them. On former occasions we usually referred this act to a special committee of the House, drafting into that committee a number of medical men and others who had some technical knowledge of the subject. It occurs to me that unless some of our professional men are in their seats and have given some study to this legislation, most of us will be acting pretty much in the dark. Moreover, this legislation undoubtedly affects those who manufacture these various serums, drugs and so on, and I recall in the past some very bitter controversies over the drafting of some previous amendments to the act. Some of these amendments I supported, some of them I strongly opposed. I am not in a position to express an opinion now, but I really think it would have been better if this act had gone to a special committee where it could have been given that detailed consideration which it merits.

Mr. ROSS (Kingston): While I would do anything to strengthen the hands of the department, yet I think on reading over certain clauses of this bill it is quite drastic, and abuses may easily arise. I cannot understand for a minute why under the first clause the word "antiseptic" cannot be considered as a drug. In any school or college antiseptic is a term as old as the hills. There may be some antiseptics, if that is what the minister or the department is getting at, that are not drugs. That is the reason I would have suggested the use of some definite volume such as the British Pharmacopoeia. It is kept pretty well up to date and I do not think it would leave out very much. The second clause leaves the door open for drastic action. It provides for the licensing of manufacturers preparing drugs and it requires that manufacturers of the drugs mentioned submit test portions of each and every batch of such drugs and so on. All that is very good in its way, but it leaves the door open to a very great deal of drastic action which may be taken by the department as regards food and so on. I am not saying that there is anything wrong with the bill, but it leaves the door open to drastic action and we should look into it a little further. I would favour the suggestion of the hon. member for Vancouver Centre.

Mr. KING (Kootenay): This act was passed in 1920 and it has been in operation since that date. This is the first occasion that it has been in the House for further amendment and these amendments have grown out of the experience of the officers of the department. I have no objection to letting the bill go to a committee of this House, but I think the hon. member for Kingston (Mr. Ross) does not quite understand the object of the bill and the amendment. The object of the act is to protect the public against adulteration and against any deception in the quantity sold, and in the section to which I have referred I pointed out that the schedule mentioned at the back of the bill sets forth the drugs that are to be dealt with. They are limited in number; they are very potent drugs, and while we as practitioners strive to get the best possible, the standards vary in different countries. Standards vary even in different laboratories, and in dealing with potent drugs of this character I think we should have the highest quality as a standard; that is done to-day by physiological tests. I cannot see why the medical profession would take any exception to this amendment; in fact I know that nothing will please them more than to have these particular drugs standardized. If that is to be done and if this benefit is to be secured to the public then it is essential that the establishments be checked, that they be required to take out a license and to maintain a proper laboratory, subject to inspection. We are not amending a medical act; this is a food and drug act designed to give protection to the public. So I would suggest that we proceed with the amendments and leave the bill in committee; we can have our discussion here to-day and we can return to it if there are any further points which have not been made clear.

Mr. STEVENS: The difficulty I see is this. If this bill is sent to a special committee we will have the officers of the department who have had experience in administration, and

they can tell us precisely why they are asking for certain things. Let me illustrate; and I may say that I take my position with very little precise knowledge of the needs we have to meet, but I see an illustration of the danger facing us. In subsection (d) it is provided that the premises, equipment and technical qualifications of the staff of manufacturers preparing drugs mentioned or described in schedule B shall be inspected, and further in subsection 4 of the same section it is provided that any drug mentioned or described in schedule B shall be deemed to be adulterated if it has not been manufactured, tested and labelled in accordance with regulations made by the governor in council under this section. That is going pretty far. Let us take for example the question of the label. Some of these terms are copyrighted, I have no doubt, and it is quite conceivable that the department may fix as a standard one of these drugs which has been patented or given some sort of protection; they may say that that shall be the standard. If some other firm manufactures an equally good article not in the slightest degree adulterated, but labelled differently from the standardized article, the product of the second firm would be deemed to be adulterated under this act. That is an extreme case, of course, but that is what we are facing, and I must say that under these circumstances I rather look askance at this act. I am going to suggest again to the minister that the most reasonable thing to do is to send this bill to a special committee before which the officers of the department may appear. Let me again make it clear that I am not criticising the effort of the government to establish a first class workable act. I have always been in favour of such an act and stand behind the general principle of it but I must confess that some parts of this act give me some alarm.

Mr. ROSS (Kingston): I have just another question, and I might say in passing that I do not think I misunderstand the purposes of this amendment. I would like to refer for a moment to the inspection of premises, equipment and so on. Supposing you are dealing with drugs manufactured in England, manufactured by a firm which I like very much, Burroughs, Welcome and Company; how will your department inspect their premises and set a standard for their products? If that is not done the drugs manufactured by that company will be labelled as adulterated, and it leaves the door open to drastic action. I am sure that medical practitioners have some knowledge of standards, and I agree with the statement of the minister that these standards vary, and in some cases are very low. But in Canada we practically accept the British Pharmacopoeia and the standards laid down by the ministry of health in England. Now the minister is going to introduce a system in Canada which will make it hard for us to accept an article manufactured in Great Britain.

Mr. KING (Kootenay): Unless it comes up to the standard.

Mr. ROSS (Kingston): In the meantime perhaps that drug will have been scattered all over Canada, and it will be quite a hardship to some of our practitioners who, notwithstanding that standard, would prefer to carry on with the same company.

Mr. KING (Kootenay): I think my hon. friend is entirely mistaken. If he will look at the schedule he will see that the list is very limited and that the drugs contained therein are very important. If the profession can secure a uniform standard of digitalis, for example, they will be glad to accept it. We are not entering a new field; it is known that the Council of Health of the League of Nations have already proceeded along this line, and are suggesting to the various countries that they standardize these preparations. The United States have gone even further, and have already set standards. This matter is one affecting trade and commerce and the protection of the public, and if it is the opinion of hon. members that this should go to a special committee I have no objection whatever because that would give an opportunity for further discussion which cannot take place in this House.

Mr. ROSS (Kingston): How does the minister propose to inspect the premises, equipment and so on of firms not in this country?

Mr. KING (Kootenay): They will manufacture to our standards if they propose to sell in Canada. My friend speaks of Burroughs, Welcome and Company; that company are prepared to standardize, and wish to do so, and I think that is true of all the better manufacturers.

Progress reported.

Hon. J. H. KING (Minister of Health): I beg to move, Mr. Speaker, that Bill No. 105 be referred to a special committee of this House, to be appointed at the next sitting of House.

Mr. SPEAKER: This is not regular, of course, but by unanimous consent the motion may be adopted.

Motion agreed to.

NORTHWEST TERRITORIES ACT AMENDMENT

EXPORT TAX ON FURS

Hon. CHARLES STEWART (Minister of the Interior) moved that the House go into committee to consider the following proposed resolution:

That it is expedient to amend the Northwest Territories Act, chapter 62 of the revised statutes, 1906, to provide that the commissioner in council may make ordinances for the levying of an export tax upon furs exported from the territories to any part of Canada, or to any foreign country.

Motion agreed to and the House went into committee, Mr. Johnston in the chair.

Mr. STEWART (Edmonton): Hon. gentlemen will remember that three years ago I introduced a similar resolution with a view to bringing down a bill to tax furs exported from the Northwest Territories. At that time, if my recollection serves me aright, all the provinces were not exacting a tax on furs. There was, however, a tax in force in the Yukon territory on furs for export, and principles embodied in the Yukon Fur Export Tax Ordinance will be included in the ordinance to be founded on this resolution. The provinces are anxious that we shall impose such a tax because furs are going out of the provinces very frequently, particularly from the northern districts of Saskatchewan and Alberta, and when the tax, or royalty as it is in Saskatchewan, is sought to be collected the provincial officers are told that the furs come from the Northwest Territories. We do not propose to tax fur used in the territories but only when it is exported therefrom, and the tax will be at the rate of so much per skin. I will give full particulars on the second reading of the bill. Its main provision, however, is embodied in the resolution.

Mr. ADSHEAD: Will the minister be good enough to tell us when the provinces asked for the imposition of this export tax?

Mr. STEWART (Edmonton): I have a letter signed by the Hon. Mr. Hoadley of Alberta asking us to take some steps to protect that province inasmuch as when they seek to collect the provincial tax they are frequently told that the furs come from the Mackenzie district in the Northwest Territories and are therefore not taxable in Alberta. Now it is proposed to apply this tax on furs exported from the territories, and no evasion of taxation on the ground stated will be possible in the western provinces.

Mr. ADSHEAD: When was the principle of this export tax on furs adopted, and why?

[Mr. Speaker.]

Mr. STEWART (Edmonton): In the provinces all fur is taxed; there are no exemptions. But we propose to exempt the fur used by the natives as well as any fur used by whites in the Northwest Territories. Only when the fur is leaving the territories will the tax be imposed. In that way we shall not be creating any hardship for the whites or natives who make their homes in that region. This is to be an export tax, and the same provision exists in the Yukon territory.

Mr. STEVENS: By way of information how does the minister propose to ascertain where the fur comes from? Furs, for instance, are frequently brought into Edmonton by trappers from very long distances. How does the minister propose to follow the fur that is produced in the Northwest Territories beyond the boundaries of any province?

Mr. STEWART (Edmonton): We have anticipated that difficulty and are arranging to collect the tax inside the territories. As my hon. friend knows, a considerable proportion of this fur comes out by way of the Alaska peninsula, also via Hudson bay, but the largest quantity comes down the Mackenzie river through the province of Alberta. The collection will be made by officers to be appointed by the government, either the northwest mounted police or officials who are already on the ground.

Mr. STEVENS: What quantity of furs, roughly speaking, is now being exported from the Northwest Territories?

Mr. STEWART (Edmonton): As nearly as we can estimate about $2,000,000 worth are exported annually.

Mr. ADSHEAD: I shall reserve the right to oppose or criticise this export tax when the second reading of the bill to be founded upon this resolution is moved. I never knew there was any export tax or embargo on furs going out of any of the provinces. I do not know what necessity there is for such a tax or why it should be imposed upon a trapper, if he is licensed and earning his living honestly.

Mr. STEWART (Edmonton): I am perfectly willing that my hon. friend should look into the matter. He will then find that every province in Canada, with the exception of Prince Edward Island, is imposing a tax on fur. The Northwest Territories have not been doing it, but as I have already pointed out the Yukon has had a tax for some years. We want the revenue to be derived from this tax and we are entitled to receive it. We have spent a good deal of money for the protection of the people who are dealing in furs

up there, but we shall not collect the tax from the natives who use fur as clothing, nor do we desire to collect the tax on any fur that is utilized within the territories themselves. Therein lies the difference between the tax proposed to be collected under this resolution and that which is imposed by the provinces.

Mr. ADSHEAD: Do trappers pay a license?

Mr. STEWART (Edmonton): Yes.

Resolution reported, read the second time and concurred in. Mr. Stewart (Edmonton) thereupon moved for leave to introduce Bill No. 123, to amend the Northwest Territories Act, chapter 62 of the revised statutes, 1906.

Motion agreed to and bill read the first time.

WAR CHARITIES ACT, 1917, AMENDMENT

Hon. FERNAND RINFRET (Secretary of State) moved the second reading of Bill No. 114, to repeal the War Charities Act, 1917.

Motion agreed to, bill read the second time, and the House went into committee thereon, Mr. Johnston in the chair.

On section 1—Act repealed.

Mr. STEVENS: Are there any obligations outstanding, or is this thing properly dead and is this simply to bury it decently?

Mr. RINFRET: There were coming under this act 850 societies. That number has dwindled to 147, of which 10 are great war veterans' associations and 127 branches of the Imperial Daughters of the Empire, which leaves only 10 other societies. These societies have to report twice a year to the department. They come under our control, but we are now practically controlling things that do not exist or do not need to be controlled.

Mr. STEVENS: What are you going to do with the staff that has been looking after this?

Mr. RINFRET: We will put them at some new reform legislation.

Mr. STEVENS: Splendid.

Section agreed to.

Preamble agreed to.

Bill reported.

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

PRIVATE BILLS

MONTREAL, OTTAWA AND GEORGIAN BAY CANAL COMPANY

The House resumed from Monday, March 7, consideration of the motion of Mr. Chevrier for the second reading of Bill No. 78, respecting the Montreal, Ottawa and Georgian Bay Canal Company.

Mr. A. C. CASSELMAN (Grenville-Dundas): After the many statements and arguments which have been advanced in this House during the course of this debate, anyone who attempts now to talk about the subject must in doing so lay himself open to the charge of obstructing the business of this House. It is not with that intention that I am taking part in this debate. If I must stand accused of obstructing the work of this House, I am perfectly satisfied to do so. I say that because it is a fact that the matter under discussion is of such great importance that I feel every opportunity should be taken to place the facts before the people of the country, in order that they may be stirred up, so that the ultimate result will be that this bill shall not pass.

It has been suggested from the other side of the House that the bill should be allowed to go to the committee at once. I do not favour that suggestion. There are the very best reasons for discussing the bill at length. I do not think there has been for some time a private bill before this House in which such great interest has been taken as in the present bill. I say that because of different articles which I have seen in the various newspapers, and the press publishing these articles are not of any one political faith. Yesterday's Ottawa Citizen, speaking against this bill, says:

> The Georgian Bay Canal
>
> Georgian bay canal promoters have been given ample time to do something to take advantage of the enormously valuable franchise granted first so long ago as 1894. They persuaded parliament thirteen times to renew the charter, but they failed to commence constructive work upon the canal. It is too late to expect this parliament to give away any part of the public domain.

On the same day the Ottawa Journal in an editorial says:

> Everybody knows that the value of the Georgian Bay canal charter to the interests who are behind it is not the value that attaches to the franchise covering a mere transportation project. It is the value that arises from the water-power clauses that the charter contains. In the light of that truth, one provision in the

original act, and also in the act as it now stands, cannot be sanctioned. It is a clause under which it is open to the company to proceed, ostensibly, with the construction of a section of the canal, say, in the Carillon falls district, or at any other point along the route where there is a water-power, and then abandon the work. If this is done, or if for any reason the company fails to proceed after developing the Carillon falls power, or any other power, under the guise of constructing part of the canal, there reverts to the government only "so much of the said canals and works as then remains uncompleted."

In other words, the company could well afford to throw up the job after developing the Carillon power and selling it for a fabulous sum, as the obvious deduction from the language of the Act is that the completed part would belong to the company, while only the uncompleted parts would go to the government. It is inconceivable that parliament should pass such a clause.

With the indulgence of the House I desire to read a short article which appeared in yesterday's Toronto Globe. It is headed, "The Old Fight is On Again," and says:

For thirty-three years the Montreal, Ottawa and Georgian Bay Canal Company has held a Dominion charter giving it rights to construct canals and develop water-power resources of the Ottawa and French rivers. In all that time no constructive work has been done.

The company is back to Ottawa again seeking from the Dominion parliament another—the fourteenth—extension of its charter. The application is sponsored by Sifton interests.

The charter for which another renewal is asked apparently does not obligate the company to do anything. It gives the company continued control over public resources of tremendous potential value and permits the company to develop only those resources which it may deem profitable, while "so much of the said canals and works as then remain uncompleted"—presumably the more costly and unproductive construction and development—return to the public.

The provinces of Ontario and Quebec are directly affected. The legislature of Ontario plans to record the protest of this province to-day. But the fight is at Ottawa. There a great principle is at stake. Shall the natural resources of this country—the property of the people—be handed over to private, profit-taking promoters, or shall they be conserved and developed in the interests and for the welfare of the public?

The old battle is on once more. The Montreal, Ottawa and Georgian Bay Canal Company's bill must be defeated. The charter must lapse. For the interests of the whole people come before the avaricious ambitions of a few.

Those three articles, Mr. Speaker, give the people of this country a good idea as to the way in which this charter is generally regarded, and in view of that I wish to make a suggestion to the government. I realize that this is a private bill and that possibly the government take no responsibility for it.

[Mr. Casselman.]

But may I suggest that they are laying themselves open to rather grave suspicion, for it is well known throughout the Dominion that the Sifton interests, the Sifton papers, and, if I may be permitted to use the term, the Sifton sons, strongly endorsed the present leader of the government in his last campaign. It is also equally well known that the Siftons are primarily concerned in the renewal of this charter. Therefore I would suggest, that this bill having already been before the House on four or five occasions, it is the duty of the government now to declare whether or not they are supporting it.

The first charter was granted to a company bearing the same name in 1894. It is not my intention to discuss the provisions of that charter, they having been already fully covered by other speakers. Heretofore this charter has, I think, been regarded as non-political; that is, those who have sponsored the bill from time to time for its renewal were supporters of both the old parties. In fact, the charter has been renewed by almost every administration since 1894. In all it has been revived thirteen times, but the present application is not in the terms of that presented originally. When the charter was first granted it contained no clause authorizing the promoters to develop hydro-electric power. It is significant that during the 33 years that the charter has been in existence nothing has been done to carry out the original undertaking to build a canal. To that scheme we now find added a power scheme.

What is the hydro-electric power situation in the province of Ontario at the present time? Since the inception of the Hydro Electric Commission of Ontario 15 or 20 years ago we have seen an immense development of our water-powers until to-day in western Ontario there is no further water-power available for the generation of electric current. During all these years the people in eastern Ontario have been clamouring for hydro-electric power because of the fact that the lack of it has prevented them from securing the establishment of industries in various centres. Eastern Ontario has to look, first, to the St. Lawrence and, second, to the Ottawa river as its only sources of power. It might be asked at this point, what government has jurisdiction over our water-powers? If hon. members will turn to Hansard of April 7 last year they will find a statement made by the Minister of the Interior (Mr. Stewart) to the effect that the Dominion government recognized without question, first, that the water-power on the Canadian side of the St. Lawrence (international section) is

subject to the disposition of the Ontario government, and, second, that water-power development may proceed independently of canalization. That is, the production of electrical energy and the consequent development of industry need not be held up pending a decision whether a comprehensive canal scheme is necessary and economically feasible. Let me quote the hon. minister's own words:

> So far as I know this government have never raised any question as to ownership. Nor does this government raise any question as to the right of Ontario to develop that particular power or any power along that reach. . . .
>
> If they want to develop there would be no holdup so far as the federal government is concerned. I should like to see the hydro development on the Ottawa river; it seems to me there is a great opportunity for such development there. However, they have set their hearts on the development of the St. Lawrence, and it is the business of this government to do everything they can to facilitate that development.

Now as to the development of power along the St. Lawrence. I realize that great difficulties have to be overcome. The matter has been under consideration for four or five years. Several committees have been appointed from time to time, and I am glad to say that on the 16th of November last the Canadian and American engineers who were directed to investigate the engineering possibilities of the deepening of the St. Lawrence made their report and it is now on file. I trust that within a short time the project will be undertaken.

How are we to reconcile the declaration made by the Minister of the Interior last year, to which I have just referred, with the fact that the government is virtually giving authority to a private corporation to develop hydraulic power on the Ottawa, for undoubtedly if this bill passes that is bound to be the result. And that will not be the only result. The people of eastern Ontario and other sections of the province who are desirous of securing hydro-electric power will be unable to get it, for the simple reason that its development will be tied up by court proceedings, and private interests will have acquired rights which will cost the country an immense amount of money to expropriate.

What position is taken by the Ontario government on the proposed renewal of this charter? And not only by the provincial government but by every member of the local legislature? Yesterday the Premier of Ontario moved a resolution protesting against the enactment of this bill, the resolution was seconded by Mr. Raney, leader of the United Farmers of Ontario in the provincial House, and before the resolution was carried unanimously Mr. Sinclair, the leader of the Liberal party in the local legislature strongly supported it. It is true that he objected to provincial governments sending recommendations to the Dominion government, but he declared that were he a member of the House of Commons he would consider it his duty to vote against this bill. This is the text of the resolution:

> That this House respectfully urges the parliament of Canada not to enact Bill No. 78 of the House of Commons respecting the Montreal, Ottawa and Georgian Bay Company for the reasons hereinafter set forth:
>
> That the bill proposes to renew a charter to authorize the construction of a canal and the development of water-powers on the Ottawa and the French rivers, which said charter has already been in existence for 33 years without any evidence of progress toward the accomplishment of the projected canal;
>
> That the application to parliament is an effort on the part of private promoters to secure through the federal parliament the control and ownership of a great and valuable public utility;
>
> That the water-powers in the Ottawa river in interprovincial waters are the joint property of the provinces of Ontario and Quebec, and that the powers in the French river are wholly situate within Ontario, and are the property of the province of Ontario, and cannot be rightfully legislated upon by the Dominion parliament;
>
> That the development of these powers is essential to the industry and the prosperity of the two provinces of Ontario and Quebec, and the only effect of federal legislation purporting to vest these powers in a private company will be to retard development, create litigation, and impair the public interest;
>
> That the water-powers of the Ottawa river, so far as they belong to this province, are an essential part of the public development and distribution of power in Ontario, in which the people of this province have already invested upward of $276,000,000;
>
> That this legislative assembly desires to record its most earnest and emphatic protest against the attempt being made, by means of a private bill in the Dominion parliament, to alienate valuable water-powers from the control and ownership of this province, and thereby deprive the people of Ontario of the advantage of one of our greatest natural resources for the benefit and advantage of private promoters;
>
> That the province of Ontario respectfully urges that the rights guaranteed to the provinces under the federal constitution should be at all times respected by the parliament of Canada;
>
> That this House believes that the occasion calls for a strong and conclusive pronouncement against the proposed legislation as being contrary to the spirit and the terms of confederation and prejudicial to the public interest.
>
> For these and other reasons this House directs that copies of this resolution be forwarded to the Prime Minister of Canada and to the Speakers of the two houses of parliament of Canada.

I do not know of any stronger resolution that could have been passed than that. I know that resolution was passed unanimously, and it should be a guide, if not to the government, at least to the Minister of the Interior (Mr. Stewart, Edmonton), because he has already in this House admitted certain claims which are made in the text of this resolution.

If this charter is granted, what will the Sifton interests secure? I have in my hand, and I wish to place on record a statement of the various powers which will come under their control. The statement is as follows:

Lower Ottawa—	Horse-power
Forneau	42,000
Cave	42,860
Deux Rivières	40,060
Rocher Capitaine	79,220
Des Joachims	58,800
Culbute Chute	5,000
Paquette and Allumette	28,340
Rocher Fendu No. 2	37,350
Rocher Fendu No. 1	37,350
Grand Calumet	55,980
Chenaux	65,700
Chats Falls	109,340
Chaudière	97,420
This is now installed.	
Carillon	213,180
Also installed.	
Sault Recollet	65,030
Prairies	40,880
Total	1,254,499

That makes a total of 1,254,499 horse-power. That power, it is admitted, belongs to the provincial governments. It is on an interprovincial water and therefore the two provinces are entitled to share in it. But what do we find? We find, if this charter is granted, the Dominion government going over the heads of the provinces and giving away something which they must know to be of value and which is not theirs to give, with results that can only be detrimental to this Dominion. Is it possible to estimate the value that would accrue to those who secure this charter? I have before me a statement to the following effect:

> The parties interested in obtaining an extension to this ancient charter have played a long and persistent game, and every device and influence that can be obtained is being used in their endeavour to win the large stake at issue. The Ottawa river water-power stake is enormous. Under intensive development, it has been estimated that in excess of 1,500,000 horsepower may be available in the Ottawa watershed, which sold at a profit of $3 per h.p: would yield annually a profit of approximately —$5,000,000. If capitalized, this may be taken to be a profit on $100,000,000 capital.

If we grant this charter we are placing those to whom we grant it in a position that, without a further turn of the hand, they will have $5,000,000 annually as long as they continue to own the charter. Surely the members of this House are not going to be parties to the alienation of such an amount as this from this Dominion.

What about the navigation? The navigation prospect is something which must appear very bright in the eyes of those who live along this river, but why should it appear so? All they have to do is to look back to 1894 and they will see that from that time to the present the holders of the charter have been in such a position that they could have gone on and constructed the canal. I do not think the Georgian bay canal can be built without the aid of the power. Navigation is undoubtedly under the control of the Dominion; the power sites are not under the control of the Dominion, and what this company are asking the members of this House to do is to take away from the people of the provinces the very valuable water-powers which they own and with the money derived from them construct the canal. The matter would not be so bad if there was any assurance that the canal would be constructed; but we may be pretty sure that if the charter is granted, the power will be developed, and as soon as the power is developed under the charter, then the company can simply say: We have had enough, and having chosen the plums out of the basket, they will leave what is left, if anything, to the people.

The hon. member for Nipissing (Mr. Lapierre) yesterday made a very straightforward statement when he said he was reading from the brief of the company, and he did not attempt in any way to suggest to the House that the company expected to carry on navigation unless they received the power rights as well. The hon. member for Moose Jaw (Mr. Ross) and the hon. member for North Winnipeg (Mr. Heaps) both said yesterday that western Canada is intensely interested in anything which will reduce the freight rates. I think that statement could have been made much wider; the hon. members might have said that all of Canada is intensely interested in anything that will reduce freight rates. But, Mr. Speaker, when we have spent such immense sums of money in developing the Welland canal, in connection with which our expenditures will amount to over $100,000,000 before 1930, with the object in view of providing a cheaper method of shipping grain, do you not think it would be wise to carry that system through as far as possible in order to find out if it will give the results which those who started it expected? It seems to me that that is the only

logical thing for us to do; if we do not do so it means that we are simply throwing away these immense sums which have already been spent. When the Welland canal is completed, which I think will be sooner than 1930, we will have a deep waterway to the foot of lake Ontario. If any hon. member will look at the joint report of the engineers which was filed on November 16, he will find that the fifth division of the St. Lawrence canals, which runs from the foot of lake Ontario to Chimney Point, three miles below Prescott, can be made into a navigable water capable of carrying boats drawing twenty-four feet by an expenditure of only $1,100,000. Due to the fact that this is an international waterway that expenditure would not have to be paid by Canada alone, because undoubtedly before the work is started further negotiations will be carried on with the government of the United States and they will stand their share of the expense. With that work completed those who are interested in freight rates and in getting their grain to the markets of the world as cheaply as possible will have a complete waterways system with the exception of the distance from Prescott to Montreal, some 115 or 120 miles.

If hon. members will take their minds back to last fall they will remember certain articles which appeared in the Montreal papers. At that time there were ships in that port anxious to secure cargoes of grain which could not be secured because the elevators did not have what they required, and as a result wheat had to be brought from Fort William by rail to complete those cargoes. Would it not be better to have at Prescott, the eastern end of the fifth division, elevators capable of storing this grain? The fact must also be remembered that during the whole winter the harbour is open there, and it is the furthest point west where there is an open harbour. These boats going down the river could lay up there during the winter just as well as at any other port, and when the grain is required from them it could be transferred to the elevators and placed on the cars of either the Canadian National railways or the Canadian Pacific railway, because the main line of the Canadian National railways and a branch line of the Canadian Pacific railway run into that town.

To me, Mr. Speaker, this is one of the important questions which this government will have to decide, and I trust that they will use wisdom in doing so. I do not ask that they put these elevators at any particular point, but I do ask that the elevators be placed at the point where the grain may be transferred to the ships at the lowest cost to those owning or raising this commodity.

In his remarks the other evening the hon. member for Qu'Appelle (Mr. Millar) seemed to have a great fear due to certain facts which I presume were communicated to him in a letter under the heading of the Montreal, Ottawa and Georgian Bay Canal Company. I have one of those letters in my hand, which goes on to show that if the Georgian bay canal is completed the distance will be shortened by some 350 miles. They even go beyond that, and oppose the development of the St. Lawrence waterway on the ground that traffic would be diverted at Buffalo. The hon. member could not have had the figures in his possession in regard to the distance from the head of the lakes via Buffalo to Liverpool as compared with the distance from the head of the lakes to Liverpool by the Canadian route, because if he had known those figures he would have found that the distance by the Canadian route is 524 miles shorter than by the American route which he feared so greatly. If the St. Lawrence waterway is completed, as I trust it will be, we must expect that a certain amount of traffic will be diverted and we must be prepared to compete with the facilities which will be offered by others. If we cannot compete with them we might as well sit down and say nothing about it. I would strongly recommend to the hon. member for Qu'Appelle that he look more carefully into the matter and I am sure he will lose whatever fear he has due to the fact that the Georgian bay route, if completed, would be a few hundred miles shorter than the present route.

Mr. E. A. McPHERSON (Portage la Prairie): Mr. Speaker, it is not my intention to take up very much of the time of the House on this question. I must confess that since the debate started my understanding of the matter has become a little more clouded than it was before. I understood when the question was first brought up that it was opposed more as a matter of principle than for any other reason, but just on what principle it was opposed I am not quite so clear as I was when the hon. gentleman who opened the debate in opposition finished his remarks. I understood from his remarks that he was opposed to it largely because there had been a considerable delay in starting work under the charter which had been already granted. Since then hon. gentlemen who have spoken have discussed the matter from practically every angle and a large part of the argument both pro and con is, so far as I know, personal opinion or facts gained here and there in a haphazard manner. Any information upon which I can base my attitude has been gained in what is not a satisfactory method to myself, namely, by listening to the various arguments advanced, and by hearing the gossip and rumour in the

corridors, lobbies and different parts of this building. If I had to vote on this bill tonight, as to whether we should grant this charter or not, with the information I have as to the charter I would vote against it. On the other hand if I were to be put in the position where I had to close my mind and say, No, we will take no chance on this, we will not give even an opportunity of ascertaining the facts by having them brought out before a committee, I would vote against such a motion, because I think I should be just as much to blame for refusing to allow myself to get those facts in a proper manner before a committee of the House as if I voted against the bill offhand.

I am not satisfied with the bill in its present state. I should like to see it somewhat amended; but the more I have heard and the more I have looked into it, the measure does not seem nearly as bad to me as it did originally. I must confess, Mr. Speaker and gentlemen, that my facts were collected, as I have suggested, from the discussion here and from hearsay. If I am wrong in any statement I may make I hope I shall be corrected, but I can only base my remarks upon the information which I have and give my vote in accordance therewith when the time comes to do so. I am told that this charter was granted originally in 1894, and the statute bears this out. I am told that the project has been enlarged from time to time, that in 1907 plans were made for a canal of nine feet, that the matter was taken up by this House, and that during the period from some time around 1908 till 1912 this government investigated the question of the Georgian bay canal and its feasibility, and a very lengthy report was prepared on the subject. That report is in the library, but I am not of a sufficient engineering turn of mind to avail myself of it; I do not think I would understand it even if I did try to peruse it. But the report is there, and I have not heard it stated that the route is not feasible. So matters were delayed apparently until 1912, and then it was decided that the project should take the form of a canal of twenty feet. The war broke out, and I do not think that any hon. member here will say that any company was remiss in its duty for not carrying out a large contract during a war period. Considerable time has elapsed since the war and yet nothing has been done. That I understand is true, but I also understand that plans were completed by the present holders of the charter for a canal of twenty-four feet, and 1924 was the date on which the company first filed the plans that are now before the government. Those plans were not accepted, but I find they were filed in sections up to 1926, which is not very long ago. I understand that the first plan filed in 1924 was for that portion of the river from Montreal north—the proper place to start a canal, at the outlet—but for some reason best known to the government approval of the plans was withheld until all should be received. Now I notice that under section 18 of the original act this company cannot take any steps or do any construction work on the canal until the plans that have been filed are approved by the government. If there has been negligence and delay it would therefore appear that it was not on the part of the applicants, but on account of their plans not having been approved they have not been in a legal position to turn a sod or start construction work. I want to point out that those hon. gentlemen who have dealt upon heinousness of the offence that would be committed in giving a further extension to this charter, and those hon. gentlemen who believe strongly in public ownership, put through yesterday four distinct bills which involved the extension of railway charters. The first charter was granted in 1900 but was renewed from time to time up to the present. The next two charters have not been for an unusually long period before the public, but the fourth one was originally given in 1893, one year before the charter of the Montreal, Ottawa and Georgian Bay Canal Company. I am not justifying the extension of these charters, I am merely bringing the facts to the attention of the House.

Mr. HEAPS: Would you be good enough to tell the House the difference between the charters which were extended yesterday and the charter whose extension is now being sought?

Mr. McPHERSON: I am dealing now with the objection, which has been strongly urged, that the time which has been allowed to elapse since the charter was originally granted is a reason why the extension sought here should not be allowed. I am not saying that the charters to which I have just referred should not have been enlarged, but what I do say is that there was not half an hour's discussion in this House—so far as I know, and I think I was present all the time—in opposition to the extension of these charters on the ground that they have been renewed too often. Yet they are all by private corporations. That looks rather peculiar to me in view of the great interest that is being taken in the present charter and the agitation to allow it to expire.

I have dealt with the opposition to this charter on the ground of the delay that has taken place. Now there are one or two other reasons given by several members, the soundness of which I do not quite appreciate. For example they say that we have government canals which are operating without tolls, therefore why should we allow the canal to be built by private individuals on which tolls would be collected. I submit that argument would be much more logical if the conditions were reversed and you were putting a free canal in competition with a government canal charging tolls. But if the government canals are free and the private canal is charging tolls, what possible chance is there of the private canal doing business? How can they collect tolls unless the public are willing to pay them in order to avoid going the long way round and getting free transportation which would be more costly in the long run? I do not understand the logic of the argument which has been advanced in that connection by at least three or four members of the House.

There is also the question of the claim to the power. I am not going into the question of the legal ownership of the power, but I maintain that in so far as the navigable waters are concerned, and in so far as any waters are concerned which are apt to be now or hereafter of value to the Dominion as waterways, it is most objectionable to give any rights to private individuals which will close those waterways for navigation purposes in time to come, or in fact to give them under under any circumstances without protecting the public interest. Ontario says, in the language of its representatives in this House, that it is entitled to the water-power. It may be so. If it is so, the owners of this charter have nothing when they get it renewed so far as power is concerned. That question can be disposed of by the courts that are appointed for that purpose.

I would point out this, however. Although I do not live in Ontario I try to keep in touch with the doings of the various provinces, and I understand that Ontario has leased its water-powers in the north country to private corporations at every place in which water-power is now being developed up there. I understand further that the people in that district are getting after the Ontario government to have the Ontario Hydro Electric Commission protect them against overcharges, but that they are not being given any assistance in that direction by the provincial government. The province of Ontario at the same time, I understand, is purchasing power from a private corporation called the Gatineau Power Company. I understand that the province of Ontario were willing to give a lease of the Carillon falls to a private corporation for a consideration—a share of the rental. Now, Mr. Speaker, I suggest that all these arguments we have heard in favour of Ontario developing its own power do not look very good to the outsider in face of the fact that they are giving away their power in the northern section of the province and are buying power themselves from private corporations instead of developing their own power.

Mr. GEARY: Just what power should they develop?

Mr. McPHERSON: I understand that there is power at Smoky falls that was sold or leased. Am I right?

Mr. GEARY: I never heard of it.

Mr. RENNIE: Will the hon. member please name the places, each one of them?

Mr. McPHERSON: I cannot name them all, but I can read a short editorial that appeared in the Cochrane Northland Post. I generally object to listen to other people reading, and perhaps I can shorten it by filing this with Hansard.

Some hon. MEMBERS: Read it.

Mr. McPHERSON: The Cochrane Northland Post has a long editorial objecting to the Ontario government putting the power in that northern district into the hands of private corporations, and regretting that the Ontario government will not protect them through the hydro commission.

Mr. GEARY: You find lots of people talking against the Ontario hydro.

Mr. RENNIE: Where are these places?

Mr. McPHERSON: I am not just sure that I can see to read this very fine print, but I will try. It is an editorial from the Cochrane Northland Post—I am not acquainted with the editor, so I cannot be accused of being personally biased in his favour—in its issue of February 25, 1927. This paper presumably is published by the Cochrane Northland Post, Limited, Cochrane, Ontario. The editorial reads:

As was to be expected, the meeting of the special committee of council with the officials of the Abitibi Electric Development Company—

I am sorry, Mr. Speaker, I cannot see to read this, so I will ask permission to place it on Hansard.

Some hon. MEMBERS: No. Read it.

Mr. McPHERSON: I cannot see to read this fine print. I again ask permission to file it with Hansard, Mr. Speaker.

Some hon. MEMBERS: No.

Mr. SPEAKER: Order. In such cases it is permissible to have the article read by the Assistant Clerk.

The Assistant Clerk read the article, as follows:

As was to be expected, the meeting of the special committee of council with the officials of the Abitibi Electric Development Company was devoid of any result as far as the lowering of the rate charged by the company is concerned, not because of any neglect on the part of the committee but rather on account of the peculiar independence which the Abitibi people are able to assume under existing circumstances and will be able to maintain until such time as the government sees fit to interfere and decide to protect not only our own municipality, but all others now here and yet to come, who are at the mercy of powerful corporations as far as power supply is concerned, when such is developed from the abundance of our natural water-powers, more especially here in the north where water-powers belong to the most valuable of natural resources.

It seems inconceivable that the government should have given away these natural resources belonging in the last end to the people, to private corporations for the purpose of exploiting these very people to whom such powers should belong, and who live in the very shadow of their magnificence. As a matter of fact we feel sure that the government has no intention of permitting such big stick methods.

Premier Ferguson gave an intimation to a recent delegation from the northern Ontario associated boards of trade that in the leasing of lands and water-powers, the people's interest had been fully safeguarded and that the big corporations must watch their steps and live up to conditions exacted at the time of such leases being granted and that he would see that they do it.

While we therefore fully agree with the committee's finding that nothing further can be gained by way of conferences with the Abitibi Electric Development Company, we do not at all agree with the conclusion arrived at that the only way out is the acceptance of the contract on the company's terms for a period of five years, without first having the case submitted to the government in a proper manner.

We have always maintained and still maintain that the abortive attempt to seek the government's intervention last summer was a farce pure and simple, and the people through their decision to vote down the by-law emphatically showed that they hold to this idea.

There is no intention whatever to show hostility against the power people in our continuing to advocate the introduction of the Hydro-Electric Power Commission into the dispute over the rates. The Abitibi people are well able to look after their interest in any presentation of their side to expert opinion, and on the other hand the Hydro-Electric Commission has no selfish interest in this case as they definitely refused some years ago to undertake the development of the water-powers in this district.

* * *

[Mr. McPherson.]

The old stock argument of comparing the rates which we are asked to consider as fair and reasonable with those paid by other municipalities along the Temiskaming and Northern Ontario Railway is as fallacious as it is inapplicable.

In the first place, all the other towns in this district are at present moving heaven and earth to have the present rates reduced and are practically at the end of their patience and are preparing to take steps to press for government intervention.

Secondly, the position of Cochrane is far stronger to call for government intervention than any of the other municipalities along the Temiskaming and Northern Ontario. As far back as 1910 the government, through the then Minister of Lands and Forests, gave us the solemn assurance that the town of Cochrane would be fully protected if ever any of the surrounding water-powers would be leased to private corporations in the event of the Hydro-Electric Commission not taking up the development here. This was at a time when Iroquois falls was not even thought of, the advertising for tenders for that pulp concession appearing subsequent to the promise of the government to see the town fully protected with regard to future development around here.

Mr. SPEAKER: Order. The hour for private bills having been exhausted, the House will now revert to government orders.

Mr. McPHERSON: I trust I shall be allowed to conclude my remarks when this bill comes before the House again.

SUPPLY

DEPARTMENT OF PUBLIC WORKS

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

Public Works—Nova Scotia

Digby—Public building—general repairs and improvements	$ 1,200
Halifax — Bellevue building — repairs and improvements	4,000
Halifax—Immigration building—payment to Department of Railways and Canals for accomodation	25,000
Halifax—Quarantine station—repairs and improvements	5,800
Halifax—Rockhead hospital—repairs and improvements	2,000
	$38,000

Mr. GUTHRIE: We want some explanation about this matter. The largest item in this estimate is immigration buildings at Halifax, $25,000. I fancy it is a revote. The same amount was in last year's estimates. Has the work been started?

Hon. J. C. ELLIOTT (Minister of Public Works): It is an annual rental.

Mr. GUTHRIE: Paid for the building?

Mr. ELLIOTT: Yes.

Mr. ERNST: In the supplementary estimates for the last fiscal year there was an

appropriation of $10,000 for a post office at Mahone bay. I should like to know why it has been dropped from the main estimates for this year?

Mr. ELLIOTT: The intention was that none of the items in the supplementary estimates which were being revoted en bloc would be included in the main estimates. Such portions as might be required and could properly be expended before March 31st would be expended, and it would be a question for consideration in future supplementary estimates.

Mr. ERNST: The answer of the hon. member is hardly convincing, because the next item, 133, which reads "Kensington public building, $12,000," was voted in the supplementaries which were recently passed and is being revoted in the main estimates.

Mr. ELLIOTT: Yes, that is quite true. The Board of Audit thought at the outset that it might be possible to select certain items that were most urgent, but after a few items were passed it was decided that the supplementary estimates should be voted en bloc and they are all now voted. Instructions were given, as I recollect, by the Board of Audit that nothing in the supplementaries should be put into the main estimates, but that they should all be voted together, but apparently those that had been prepared for the main estimates—a few items, not very many—were inserted.

Mr. ERNST: Will the minister give me the assurance that the $10,000 voted in the supplementaries for Mahone bay will be revoted?

Mr. ELLIOTT: That is a question for the House later on.

Mr. ERNST: If it was necessary in the supplementaries last year it ought to be just as necessary in the coming year.

Mr. ELLIOTT: That would sound reasonable.

Mr. HANSON: Can the minister justify having $12,000 in the main estimates for Kensington public buildings this year and leaving out the item for Mahone bay which was in the supplementaries last year? Surely Mahone bay is a more important place than Kensington. It has four times the population, four times the revenue and more than four times the need. Does it not come down to this; that Mahone bay did not vote right and Kensington did?

Mr. ERNST: I think Mahone bay did vote right.

Item agreed to.

Prince Edward Island—Kensington—public building $12,000.

Mr. GUTHRIE: Has this work been started?

Mr. ELLIOTT: No.

Mr. GUTHRIE: Has the site been purchased?

Mr. ELLIOTT: No. Negotiations are under way, I understand.

Mr. GUTHRIE: This is one outlay that I do not think is justifiable from any point of view, and in order to take the opinion of the committee on the matter, I am going to move that this item be reduced by $11,999.

Mr. MacLEAN (Prince): I thank the leader of the opposition for his courtesy and am perfectly willing to take the opinion of this House to-night on this vote. The town has offered to contribute a site, and, as the minister has said, negotiations are in progress. The engineer in charge at Charlottetown has been authorized to look over the site, and preparations are well under way for the calling of tenders for the building. The surrounding country is just as large as when this vote went through the other night, and the people there are still just as desirous of having this building. I feel sure that my good friend the leader of the Opposition is merely treating us to a little amusement in moving for a reduction of the vote, and that he will be one of the first to support the item.

Mr. HANSON: The hon. member said that the town was donating a site for the building. Could he not have found a constituent willing to sell the government a site?

Mr. MacLEAN (Prince): No, they are all so anxious to have the public building there that they are willing to contribute a suitable site.

Mr. GUTHRIE: What is the population of Kensington?

Mr. MacLEAN (Prince): Between 500 and 600.

Mr. ERNST: Will the hon. member kindly tell the committee the annual gross revenue derived from this post office?

Mr. ELLIOTT: To be exact, it is $3,135.

Mr. MacLEAN (Prince): A little over Mahone bay.

Mr. ERNST: No, a little under. I looked it up.

The CHAIRMAN: Mr. Guthrie moves that this vote of $12,000 be reduced by $11,999.

Mr. GUTHRIE: Mr. Chairman, I am going to say one word further. This is a little place down in Prince Edward Island with a population of between five and six hundred and yields a gross postal revenue of about $3,000, out of which all the expenses of the post office have to be paid. In my judgment this is an unjustifiable expenditure of public money. In the budget debate recently I pointed out that if the Minister of Finance would sit down with a blue pencil he could save this country millions and millions of dollars by crossing out items of this kind almost on every page of the estimates. I have nothing against the village of Kensington, but I protest against the expenditure of public money in this way. It is not called for, it is not essential. We have thousands of objects in this country upon which the $12,000 could be profitably spent at the present time. My object in moving this motion is to protest against the government's course, and I ask the committee to support my action.

Mr. ERNST: I would suggest to the Minister of Public Works that as this item has crept into the main estimates by mistake, and there are several others of a similar character which have not been so fortunate, if he wishes to be consistent he should withdraw it until the others are revoted.

Mr. MacLEAN (Prince): No, Mr. Chairman, I positively object to that. We took this matter up with the department in the proper way, and if my friend from Lunenburg (Mr. Ernst) has been negligent in regard to certain items in which his constituency is interested being included in the main estimates, that is no reason for withdrawing this particular vote. I want to tell the committee right here and now that this vote is going through. The site has been acquired, the engineer in charge has looked over the ground, plans have been prepared, and the work is proceeding. I am confident that hon. gentlemen opposite will not think of supporting my hon. friend's motion.

Mr. HANSON: Is the member correct in stating that this work is being proceeded with before the money is voted?

Mr. ELLIOTT: My information is that no work has been commenced and no expenditure made. There has been some preliminary investigation of the site, that is all. I might state to my hon. friend (Mr. Ernst) who is so greatly concerned about Mahone bay, and very properly so, that this is one of the items that appeared in the supplementary estimates of last year. It was submitted to the House by the government of which I was a member, and it was also submitted by the government that succeeded us, of which some of my hon. friends opposite were members. It seems to me that when the time comes we might very well consider whether or not the supplementary estimates to which both parties were committed should not be adhered to. However, that is a matter for subsequent consideration. The item of Mahone bay, I may inform my hon. friend, is now voted.

Mr. LUCAS: How it is that some of the supplementary estimates have been included in the main estimates while others have been left out?

Mr. ELLIOTT: In making out the main estimates the intention first was that as a great deal of the supplementary votes could not be expended before the 31st of March, when they would expire, it might be as well to put into the main estimates everything of an urgent character that had hitherto been included in the supplementaries. That course was adhered to for the first half year I think. Then it was decided otherwise and instructions were given to discontinue this course. I do not want to lay any blame on any one because the instructions were given when I was present, but apparently those instructions were not fully observed. Only a few items have crept in.

Mr. LUCAS: The minister's explanation does not altogether satisfy me because I find that a number of the supplementary estimates are now in the main estimates, while other supplementary items have been left out.

Mr. ERNST: That is just the situation.

Mr. LUCAS: Urgency does not appear to have been the sole consideration for including some of these supplementaries in the main estimates. One item that I refer to is in connection with a town where much more revenue is derived from the post office and the customs house than from some of the other places which have been fortunate enough to have their votes ieft in the main estimates. I agree with the hon. leader of the opposition that every Canadian is looking to the government to cut down expenditure.

Mr. ELLIOTT: Hear, hear.

Mr. LUCAS: If the government will adhere to a definite policy of cutting down expenditure, I am quite willing to withdraw any applications that I am making for expenditures in my constituency.

But if it is going to be a matter of expenditures here and there for certain individuals who may belong to a particular party,

[The Chairman.]

then it is a case of everyone getting into the scramble as much as they possibly can. During the first four years I was down here I did not make any effort to secure a post office for my constituents for the simple reason that we were all criticising the different governments for the huge expenditures contracted during the war and saying that we should get away from that sort of thing. But last year there seemed to be a disposition to loosen up a little, and I made representations to the government for a post office in the town of Camrose. My request was met and an amount of $15,000 was placed in the supplementary estimates. We all know what happened during what has often been referred to as the hectic days of last session. Those supplementary estimates were not passed; but they were presented to the House at the beginning of this session and they were then all passed. I took it for granted that when the item of $15,000 for a post office at Camrose was included in that first vote the government would have treated it as fairly as the other items in those supplementary estimates. But much to my surprise, when the main estimates were brought down, although there were only two items in the supplementary estimates for Alberta, one is left and mine is cut out. This item of $12,000 of the hon. member for Prince (Mr. MacLean) is for a post office in a small village with only 500 of a population and only $3,000 of a revenue from that post office. The town of Camrose has a post office with a revenue of more than $16,500, and a sub-customs office with a revenue of more than $50,000 annually. We are renting two buildings in that town. The government owns a lot there and yet the vote for that post office has been thrown out, although we are going to expend money on a post office from which the revenue is less than one-fifth of that from the post office in the town of Camrose. I hope this has been an oversight, and the minister can assure me that when the supplementary estimates are brought down this year, this item will be included in time to take care of the post office at Camrose. The minister knows the town, and I think the Minister of the Interior (Mr. Stewart) will bear me out when I say that there is not a finer or more flourishing town in the whole province of Alberta and not a town which the citizens take a greater interest in developing and beautifying. It is a town with railways radiating out in eight different directions and with a large number of rural routes emanating from it. Outside of Calgary and Edmonton, it has the fourth largest revenue of the towns in Alberta. I feel sure that when this item was included in the estimates last year the government must have given it careful consideration, and I hate to think they cut it out for any ulterior motive. I hope the minister can assure me that when the supplementary estimates are brought down he will comply with my request.

Mr. GUTHRIE: It is very interesting to hear about other post offices, but this is a concrete case which brings up the policy of the government in regard to these matters. We have the facts; there is no dispute. This is a little hamlet with a population of five or six hundred where there is a gross post office revenue of about $3,000 or, I suppose, about one-half that amount net. Is it the policy of the government to expend $12,000 of the taxes of the people of this country in establishing for political purposes a post office in that riding? That is the question before the committee at this moment. The hon. member for Prince says in the most emphatic manner that this committee will pass this item and now he nods his head. What arrangement he has with the government I know not, but it looks as though he had a fast and binding arrangement of some kind.

Let me ask the Minister of Public Works how he can justify this expenditure. Is this the policy he is going to pursue throughout Canada? Does he think it right to collect and expend the taxpayers' money in this way at a time when, if we believe the Minister of Finance—and we must believe him—every dollar we can collect is necessary to meet our obligations this year, and in fact we shall have to go out and borrow money to do so. Nevertheless without a pretence of excuse as regards public expenditure and the convenience of the people, the minister says; I want the committee to vote $12,000 to erect a public building in the constituency of Prince, not in a village, but in a hamlet. I protest that that is a wrongful expenditure, I do not care in whose riding it is. Ontario is full of hamlets larger than Kensington, and with greater revenues; so is the west, and I protest against spending the public money in these places. If we had a treasury that was full and overflowing; if we had no obligations maturing, different considerations might arise. But at the present moment it is improper to spend this money under these conditions. I protest as vigorously as I can, and I desire to have the sense of the committee taken on this question.

Mr. MacLEAN (Prince): I am rather surprised at the insinuations that have been thrown out by my hon. friend as regards the town of Kensington, which happens to be in

the county which I have the honour to represent. I wish to say emphatically that this is not given as a bribe to the people of that good county or to the town of Kensington, for their votes, because the people there are too intelligent to be bribed and they will vote as they please, irrespective of post offices or anything else.

An hon. MEMBER: Then the hon. member does not need this.

Mr. MacLEAN (Prince): The hon. member is right. There is no need of it for that purpose. The hon. member for Camrose stated that the government at the present time is renting a public building or two public buildings there for post office purposes. In the town of Kensington we had a disastrous fire which wiped out pretty nearly all the business portion including the Bank of Nova Scotia and I think the Canadian Bank of Commerce, and the town was practically depleted of buildings. This post office is in the outskirts of the town in a house where it has been for the last forty years. The town has been rebuilt very rapidly; it is growing fast. It is in the best agricultural section of the province and a large number of farmers are retiring and moving into it. As I pointed out, a large surrounding country is served by six or seven rural routes from that post office. At the present time the accommodations are not satisfactory; they are not what the town deserves; they are not what the surrounding country deserves, and this is being asked for only as a matter of justice to the town. I emphatically resent the reflections that have been cast upon the town of Kensington when it is said that this is done for political purposes. I again appeal to the committee to support the item and, in doing so, members will be doing justice not only to the town of Kensington, but to the surrounding country which is obliged to use that post office, and to the rural districts that are served from it. This vote was passed at a former session. It was in the supplementary estimates which were passed last year. The work was not proceeded with, and the item was passed again at the beginning of this session. I asked to have the item again inserted in the main estimates, because I knew that the building could not be completed before the 31st of March, when the other vote would lapse. I cannot see any reason in the world now why the House should attempt to cut out this item after it has gone so far. My hon. friends should have taken objection to this amount last year or in the early part of this session; I submit it is now too late in the day to cut down this item.

Mr. SHORT: I would suggest to the minister that since no site has yet been purchased in Kensington, there are a number of sites available in towns in my constituency upon which buildings might be erected. In the town of Bridgetown in my constituency a site was purchased for a post office, just before the election of 1925, but apparently the electors did not vote right and nothing has been done. I would suggest that this $12,000 be used on the site already owned in that town.

Mr. CARMICHAEL: I recall that when the supplementary estimates were before the House there was some discussion on this same item, and I recall that the member for that constituency then admitted that $12,000 was too much money. He was honest with the House and he made that admission, which I find recorded in Hansard as follows.

The CHAIRMAN: Order. I am sorry, but it is not permissible to read from or refer to a debate which took place during this session.

Mr. CARMICHAEL: Very well; I will not quote the words but will just refer to them generally. The hon. member made it quite plain that $12,000 was too much money for the requirements of Kensington. The sum of $12,000 did look to me like a rather large expenditure for a village of some 500 people, and the member for that constituency admitted that they were not seriously going to ask for that amount, but that they wanted enough to erect a suitable building there. That was the sum and substance of his remarks. Possibly the amendment of the leader of the opposition would not leave quite enough to put up a building which would suit the people, because the amount remaining would be only one dollar, but I would appeal to the minister to reduce this item by one-half at least, and possibly a little more. If it were reduced in that way it would leave plenty of money to erect a building suitable to the needs of that village of five hundred. The hon. member said there was a good country around that village, but you can drop into every town and village of this Dominion and find a fairly good country around it. I have a number of villages and towns in my own constituency around which there is magnificent country; there is one town with a population of 1,000 with the post office in an old shack of a building. I guess the people do not vote right; I am afraid after all that this is

the real reason for this $12,000 expenditure, and I agree with the leader of the opposition that it is time to call a halt to this sort of political expenditure. We talk here about reducing our expenditures and taking care of our national debt and curtailing unnecessary outlays, yet we drift along regardless. This is just one small example of how thousands of dollars are squandered unnecessarily. I will certainly support the amendment, but I would like to see a compromise agreed upon reducing the estimate by about one-half. By so doing we would thoroughly satisfy the hon. member for that constituency in view of what he really asked the House to do earlier this session.

Mr. PRICE: It is not my desire to throw any cold water on an estimate for post offices or public works in the maritime provinces, because I believe the Dominion of Canada owes to the maritimes millions of dollars. But speaking of post offices I wish to say that in my constituency there is a post office which turns into the treasury of Canada a net revenue of $377,000 per annum. I refer to the city of Moncton, which has a population of about 20,000 or 21,000. In spite of the fact that that post office turns in a larger net revenue than any other city or constituency of the same size in Canada, we have not been able to get a new building. We have been endeavouring for some time to secure a new post office there, and the government have purchased a very fine property assessed by the city at $32,200. This property was purchased by the government for $49,000, but the tenant who previously owned the property was permitted to occupy the premises for $40 per month up until January 1. I think any city or constituency whose post office turns in such a large net revenue is entitled to consideration in so far as public buildings and post offices are concerned. I would like to see something done in that city, where the net return is more than double the expenditure on public works this year for the whole province of New Brunswick. I would draw the attention of the Minister of Public Works and the Postmaster General to these facts and ask them to consider seriously doing justice to the constituency which I represent.

Mr. BIRD: I am not opposed to the expenditure of money on public buildings, on principle; I think there has been altogether too little money spent in that way in recent years, and only the exigencies of post-war financing can excuse the Dominion government for its neglect of the public buildings in our small towns. The other day I was reading an account by an immigrant of his journey to his home in Alberta, in which he described the towns through which he passed as conglomerations of small wooden huts. I think there is something wrong when, after all these years of our prosperity, our prairie towns are deficient in substantial buildings. In my own town of Swan River we have a population of about 900 and our post office does a business amounting to probably $4,000 or $5,000 yearly. Yet for all these years the Dominion government has been carrying on its business in a building on one of our main thoroughfares which can only be described as a shack. Around that building we have other structures which are quite substantial; we have two bank buildings which are a credit to the town, and our provincial government has built for its telephone service, right next to the Dominion government post office, a building which puts the Dominion building quite in the shade. I am not finding fault with the government for not proceeding with the construction of a new building. I realize the circumstances that have been prevalent for a number of years, but I want to say it is rather hard on those of us who are not attached to the predominant party. In the last election my opponent managed to take quite a few votes from me because he was able to promise a new post office. The then Postmaster General during the election visited my home town. I do not know what he said to my opponent but after he had left my opponent immediately gave it out that a new post office was to be built in the town. Not being in the confidence of a predominant party I was not in a similar position to make a promise. I mention this because I think there is a good deal of insincerity in the amendment that has been moved. I mean that this is not a thing that is characteristic merely of the party in power. It was also characteristic of the party that wished to be in power. However, if I thought the Minister of Public Works had any consistent policy in regard to public buildings I should be most willing to give him my support. I think that such a policy might be possible —not a policy to favour constituencies that have been politically favourable, but a policy that would do justice to the status of the Dominion government in hundreds of our small towns throughout Canada. After all it might be a very good business proposition for the government to erect a public building in some of our small towns. For instance, the department in my town pays no less than about $800 a year for the use of three small rooms in which to transact their forestry

business. It seems to me that a modest building, not a very big one, which would house not only the Forestry branch but also the post office branch, would be a business investment. I do not think that if it was wisely planned it could possibly be a loss to the Dominion government. But that is only one side of the situation. The side that appeals to me most is this: that when we have public buildings of a substantial character or of a more or less architectural success it lends an air of stability to any community in which they are placed, and that is one thing we lack sadly in the west. Surely the Dominion government, as times go on and its finances begin to look up, will enter earnestly into a policy of providing in our small communities some symbol of its own existence which people may look to and respect, and after all that is a good deal. Our Dominion government is a remote thing to most of our communities and some suitable public building in which its own business is transacted would I am sure—especially in a good many western communities where the Dominion government is a far-away, vague and remote thing—have the effect of begetting in the minds of the people, the young people, of those communities a new sense of respect and attachment to the central authority. I do not think we always ought to consider the material aspect and the political aspect of questions; we should consider the patriotic, the national aspect also. I have noticed that it is possible for a few thousand dollars nowadays to construct public buildings which when completed have a certain architectural appeal. Only recently in our town a certain dairy company built a dairy. Now you would think that a modern dairy company in placing a building in a town in which to carry on its business would not have any idea but that of utility. This company, however, came into our small town and built a structure which from the architectural point of view is all that could be desired. And yet our Dominion government is carrying on its business in the same town in a building which cannot be characterized as anything but a shack. I cannot find it in my heart to support the amendment, because of my experience in the election when the then Postmaster General came into my community and apparently gave my opponent to understand that if he were returned the community would get a fine postal building. That makes me disposed not to accept this amendment seriously. Moreover I do not know the needs of the community for which my hon. friend speaks. But if they compare at all with some of the western communities where the public building is so very poor, I have a great deal of sympathy for them. As to the building in this case I hope it is not political like the one that was to go up in my own town.

Mr. MANION: I should like to ask the hon. gentleman a question. If I understood him aright he said that I had promised a public building in his town if his opponent was elected.

Mr. BIRD: I never said the hon. gentleman promised a public building. I have more regard for the hon. gentleman's common sense than to think he would come into a community during election time and promise offhand a public building, but I do say that after my hon. friend's visit my opponent did give it out that if he were returned there would be a public building erected in my town. There were quite a number of other matters I have not thought worth while to bring up on the floor of the House because it has not been my custom to air election matters in that way. I only mentioned this because I thought it was an opportune occasion to do so.

Mr. MANION: I should just like to say that I am not responsible for statements the hon. gentleman's opponent may have made. I understood the hon. gentleman to say that I had promised a public building if his opponent was elected. I wish to state that I promised no public building in any place in this Dominion. Furthermore, although I was not going to take any part in this debate at all but simply vote with the leader of the opposition, I wish to say that I am entirely in accord with the leader of the opposition in this matter and I will tell you why: not only have all these sites been long in existence that have been mentioned here to-night, but there are sites all over this Dominion of Canada that were bought long ago for the purpose of putting up public buildings. For example, right in the constituency of the Minister of Labour, in the town of Fort Frances—which has a population not of five hundred people as in the case of this little village; but of 3,500 to 4,500; I do not know the exact figure—a site was bought before the war, and it is there still with not a public building in the whole town put up by any Dominion government. They were using a little ramshackle building until recently, when they rented other public offices. Fort Frances is one of the most prosperous little towns in all Ontario, a very fine little industrial centre. It has been trying since 1911 to get justice in the matter of a public building, but it

receives no consideration at all, while a little village in Prince Edward Island gets $12,000 for a public building, which is more than was asked for. I took the attitude in the town of Fort Frances in the last election—I had the courage to do that—that no public buildings should be constructed until our taxation had been lessened and financial conditions improved, but that when a start was made, Fort Frances should get as early consideration as any other town. I believe that is the right policy to-day, and certainly if buildings are to be constructed Fort Frances should receive earlier consideration than this little village of five hundred people. In addition, Fort Frances already has the site. I have visited my good friend the deputy minister on different occasions in regard to Fort Frances and a number of other places that deserve a public building, and he informs me that there are some eighty or ninety places in the Dominion where sites have been bought for public buildings away back in the past, around 1910 or 1911, but where no buildings have been put up—I may not have given the exact number, but the minister will correct me if I am wrong. Under these circumstances, a vote such as this certainly should not pass the House.

Mr. ARTHURS: It appears to me that the question before us to-night is not whether there should be a post office building at Kensington, but rather a question of policy as to whether post office buildings should be constructed at all at this time, and if they are built, where are they the most urgently required. In other words, should these plums be handed around as political favours? The vote to-night will apparently decide whether or not the government is to go on with a program of simply placing these buildings wherever they choose for political purposes, or whether they intend to use the various votes that may pass the House for the benefit of the country at large.

I have no particular axe to grind. If I had, I could give instances probably much stronger than any that have been given to-night. I might mention my own town, for instance, where the post office revenue has averaged over $20,000 a year and where the customs revenue has averaged about $500,000 annually for many years, where there is also an Indian department under my genial friend the Minister of the Interior, and all of them occupying rented buildings. The government owns a site there, and there was a vote in the estimates year after year a long time before the war, but when the war came we were willing to stand back, and we are yet, providing that no such case arises as this building that is proposed to be constructed at Kensington in Prince Edward Island. We do not believe, no sane man believes, that these towns that stood back during the war on account of war conditions should be left in the background while buildings are constructed in other places for political purposes, and for no other purpose in the world. There is no question about that, and nobody knows it better than the Minister of Public Works himself. This is purely and simply a political vote. It has no other purpose, because otherwise every similar town throughout Canada should receive exactly the same treatment.

Mr. PETTIT: I quite agree that there should be a well settled policy on the part of the government in regard to the construction of public buildings. I would remind the House that in the county of Welland there is the town of Thorold with a population of 5,500, the post office is only a frame building 15 feet wide by 65 feet long, and the space for the public is only 15 feet long by 7 feet wide. Thorold has a net postal revenue of $15,000. Moreover, it is a customs port with an income of $500,000. They have been looking for a post office building in that town for a long time, but as yet there is no sign of their getting one. I would remind the government, which I think should have a well settled policy in the matter of construction of public buildings, that Thorold is better entitled to receive a public building than a number of these other places for which buildings are being asked.

Mr. VALLANCE: The hon. member for Kindersley said he thought the reason why his town of one thousand population was not getting a post office was because they did not vote right. If that is any reason why they should not get one, I would like to state right here on behalf of the town of Wilkie that as far back as 1913, when hon. gentlemen opposite were on the treasury benches, a site for a public building was secured costing some $3,200, and I have been pressing the Minister of Public Works for the last two years to put up a building there. I need not tell the minister that in the constituency of South Battleford and in and around Wilkie the people do vote right, and if my hon. friend from Kindersley is right in his reasoning, then I claim that we ought to have a public building because we did vote right.

Mr. RYCKMAN: I am very much interested in hearing the minister's reply to the questions put to him by my leader. Upon what underlying principle of public expendi-

ture does he justify this vote, and in the second place, why was Kensington selected in preference to many other localities which have much stronger claims for a public building?

Mr. ELLIOTT: In answer to my hon. friend and other hon. gentlemen who have asked questions, I quite agree with a great many hon. gentlemen who have made claims for buildings in their respective ridings. The hon. member for Fort William was not very much above the mark when he said that there are sites now awaiting buildings in a large number of constituencies. There are not quite so many as my hon. friend said, but he was not far above the mark. The policy of the government is, and has been for a number of years, only to construct public buildings where the demand was urgent, and where there was no other accommodation that was reasonably satisfactory for the purpose, and even in these cases only to construct public buildings at an expenditure that would be reasonably commensurate with the saving that would be made in the way of rentals and otherwise to the government.

When hon. gentlemen speak about $12,000 being a large amount for a public building, may I call attention to the fact that the hon. member for Kindersley, who mentioned about half that amount, was much nearer the mark than those who mentioned $12,000 as being the expenditure in this particular case. The proposed expenditure of $12,000 includes $500 for a site. All that is being expended for the building is $8,000, and the fittings for the post office will cost $1,800.

Mr. RYCKMAN: The member for Prince said the site was donated. Where does the minister get the $500 for it?

Mr. ELLIOTT: If a site suitable to the postal authorities is eventually given, then the $500 will be saved. This is just an estimate of how the $12,000 is made up—site, $500; building, $8,000, and fittings $1,800. The fittings have to be furnished whether we rent the building or not. Then there are the gradings, sidewalks and so on. I think upon reflection the leader of the opposition will be one of the first hon. members in this House to agree that this is a very moderate expenditure, and that it is quite consistent with the practice of economy. In the whole of Prince Edward Island the total expenditure for public buildings is that item of $12,000, and only $8,000 of it is for the building. I quite agree that we must economise in public buildings.

Mr. GUTHRIE: Start here.

[Mr. Ryckman.]

Mr. ELLIOTT: There are different places where we require to have accommodation, and I quite agree with my hon. friend that there is a great variance in the kind of accommodation that the postal services in this country have at the present time. But as hon. members all know, since before the war very little has been expended on public buildings. I think we have kept well within the limit when in the whole of Prince Edward Island, we are expending only $8,000 on buildings and the remainder on post office fittings. These, as I say would have to be put into a building if one were rented, and we are only building because of the urgency of the demand and the necessity for giving some reasonably decent accommodation to the people there.

Mr. ARTHURS: The member for the constituency has stated that the post office has been in its present situation for forty years, and no change has been made.

Mr. SPENCER: I quite agree with what has been said by some hon. members on this side of the House in regard to the uncalled for expenditure made out of the public treasury from time to time. This expenditure might probably be laid at the door of both governments in past years, and I am not going to criticise one any more than the other. In a return I had furnished me on February 23 I find that in the year 1913 there were no less than forty-five post office sites purchased in Canada. I got the return because I found there were several post office sites that had been paid for by the government of Canada, but no buildings had been placed on them. I have in mind two sites particularly, one in the town of Vermilion, where the price paid for the site was $10,000, and the property to-day is not worth $200. The revenue being derived for the Dominion government is $10 a year. The price paid for the Calgary post office site was $312,465. To-day there is a hole in the ground, an unsightly place, and no buildings on it. I do not think the government is justified in running into large expenditures on sites if they do not intend to erect buildings on them. That site was purchased in 1913. With regard to the item before the House, I think if the revenue from that post office is only $3,100 and the population 500, it is a particular favour to that town in comparison to many of the other towns throughout Canada which have bigger populations and much bigger revenues. I think, however, the amendment moved by the hon. leader of the opposition is too drastic. For a small place of that sort we might put up a post office in keeping with the revenues received. The amount proposed to be voted

is somewhat large, but the amendment makes it absolutely impossible to put any post office there at all.

Mr. GUTHRIE: That was precisely my object in moving my amendment. I appeal to every hon. member in this House, is there any justification in the present state of the finances of the country to spend $12,000 of the people's money on a post office in this little hamlet of five hundred people? I submit there is not. When people set out to find excuses for a particular line of action they usually succeed in raking up something. I am not talking of the records of former governments or of pre-war conditions, or of sites purchased ten, fifteen or twenty years ago. We are confronted with a concrete case. The government proposes unnecessarily to expend $12,000 of the people's money. What is their justification? Can we put our hands into the treasury and take out $12,000 worth of taxes and expend it here, there and everywhere throughout Canada. You have only to state the case to see its absurdity. I am asking hon. members of this committee and the House to stand upon some principle in this matter. I appeal to the minister to state the policy of the government. He discloses no policy whatever; he ignores the whole thing. There is no justification for this expenditure. This little hamlet may be the most beautiful place in Canada, but that is no justification for spending $12,000 of the taxes of the people of this country. I will protest and I will divide the committee on it, if it goes to a vote, and when concurrence is reached I will divide the House and take their opinion on it.

Mr. BRADY: As the hon. Minister of Public Works at the outset stated that he was not very sure that the money voted in the supplementary estimates which were passed by the House would be utilized, I am naturally interested to find out what will be the conditions in the district I represent. I find in the supplementary estimates there were items to the extent of $62,200. In the main estimates these items are eliminated, and the only items I notice in my district are two very small amounts, one of $2,300 and one of $1,300. I am rather more surprised than I can express at this omission, and I feel that something is wrong. If these items comprising $62,000 were considered essential last year, surely they are essential this year. The minister said a few moments ago that only urgent works had been included in the supplementaries. I am quite sure that the same considerations should govern the inclusion of these items in the main estimates. If I am in error, perhaps the minister will advise me whether these items will be included in the main estimates.

Mr. ROSS (Moose Jaw): I think the object of this amendment is to prove that the party which our hon. friend leads is the party of economy. I would direct the attention of the House to the fact that some years ago the party which he to-day leads, but which at that time he opposed, purchased in the city which I represent two vacant lots from their Conservative friends for $22,000, and to-day they are not worth a thousand dollars. That, to my mind, is not economy.

An hon. MEMBER: It is bad policy.

Mr. ROSS (Moose Jaw): You certainly put that policy into effect when you return the Conservatives to power. I do not think the expenditure involved in this item is too high, especially when it is borne in mind that it is the only vote for the whole province of Prince Edward Island, and I agree that a proper post office building should be erected in the constituency of my hon. friend.

Amendment negatived; Yeas 61; Nays 84.

Mr. ERNST: Before the vote is declared carried, Mr. Chairman, I want again to ask the Minister of Public Works if he is prepared to make a statement in regard to expenditure at Mahone bay. Will he reinstate the item in question that appeared in the supplementary estimates last year?

Mr. GARDINER: Mr. Chairman, when the supplementary estimates were before the House during the first part of the session I called attention to the fact that there seemed to be no policy behind the voting of money for the erection of public buildings, particularly post offices. I then pointed out that at certain points where the postal revenue was only two or three thousand dollars, $15,000, $20,000 and $25,000 were being expended on new buildings, while at other points where the postal revenue ranged from $12,000 to $16,000 the expenditure ran only from $8,000 to $12,000. I urged at the time that the Post Office Department should have some regard to the postal revenue when making expenditure on new buildings.

I voted against the amendment to reduce this particular item because of the fact that it looked to me very much like a political amendment, and I do not believe in voting for such amendments. On the other hand, I think an item of $12,000 for the erection of a new post office in a village yielding a gross postal revenue of only $3,125 is just as political as the amendment.

Mr. MANION: Why does my hon. friend say it is a political amendment?

Mr. GARDINER: It appears to me to be a political amendment. The minister's explanation of the omission of items in the supplementary estimates from the main estimates has not satisfied me at all.

Mr. ERNST: Nor me.

Mr. GARDINER: Nor do I think it satisfied any other member of this committee. We should have a better explanation before this item goes through as to why after this House has once passed certain estimates they should be discriminated against by being left out of the main estimates. If the minister has any reasonable explanation to offer I shall be glad to hear it. I think the committee should demand a satisfactory explanation because we, as the representatives of the people, should see to it that public money is properly spent. I do not think we are warranted in spending $12,000 on a post office at Kensington when the gross annual income is only $3,125, and therefore, Mr. Chairman, I move:

That this item be reduced to $8,000.

I think this would be a fair and reasonable amount under the circumstances.

Mr. KING (Kootenay): My hon. friend has moved an amendment that the item be not greater than $8,000. It has been known for years that in the matter of public buildings the usual vote is not less than $20,000 or $25,000.

Mr. STEVENS: Oh, no.

Mr. KING (Kootenay): That is proved and it will be found to be the case if my hon. friend will investigate. I know this from experience and inquiry. While it is very necessary to have public buildings in the large centres, there are in Canada rural centres of population which should be considered, and during my term as Minister of Public Works I had plans devised whereby there could be built in small rural centres, post offices that would give the people there the accommodation required, and also show them that the Dominion government representing the people of this country were prepared to give consideration not only to the large centres of population, but to the rural centres.

I had an opportunity of having very careful investigations made, and of having had constructed two such buildings in small centres. I do not believe it will be possible to-day to erect for $8,000 a building of a permanent nature sufficient to carry on government business in a community such as we are speaking of now. There will have to be a basement with a cement foundation, proper heating facilities, and the construction will be of either wood, brick or stone, it makes little difference which. Lighting facilites under modern conditions will have to be provided, because the day of the coal oil lamp is gone so far as public buildings are concerned. Post office fixtures, such as have been explained by the minister, will have to be provided. We know from experience in the department that a building suitable for small rural communities which I claim, in deference to the leader of the opposition, should be considered, and a building in keeping with, I hope, the views of members of this House and of the people of Canada, cannot be constructed for less than the amount mentioned.

How was it that Kensington happened to be considered? One reason was because the minister from that constituency continuously represented that that community should have proper facilities in a moderate way. I also had an opportunity of visiting that constituency, and if some of my hon. friends opposite have not visited Prince Edward Island I would certainly advise them to go to that province, and there learn conditions at first hand. In no other part of Canada have we as large a rural population, situated in such a small area. As one goes through that small province, one passes through one centre after another. The surrounding district is practically all cultivated, and there are these little centres such as Kensington of which the hon. member for that constituency spoke. He explained that there had been a fire in that community and that the postal facilities were not convenient to the residents in the district. These matters were laid before the departmental officials; inquiries were made, and it seemed fair that in the province of Prince Edward Island we should locate in at least one of these rural communities, a building that would stand for the postal and customs services of the Dominion of Canada.

Mr. SPENCER: Was the post office burned in the fire?

Mr. KING (Kootenay): No. I understand that the post office was a rented building, as is the case in most of these small communities. In the rural centres of western Canada they have had the advantage of better rentals than are to be found in the smaller eastern towns. I had an opportunity of visiting the town of Bridgetown in the constituency of the hon. member for Digby-Annapolis (Mr. Short). It is a nice centre of population, larger than but similar to that of Ken-

sington. I was met by the mayor and other prominent citizens who took me for a tour round the town. Finally they said: We would like to show you our public building; we are rather proud of it, and I was driven up in front of this public building. What did I find? A little wooden shack of about eight or ten by twelve, a disgrace to the public service of Canada.

Mr. SHORT: That is a town of 1,300 inhabitants.

Mr. KING (Kootenay): Yes. I realize that that is a disgrace, and I believe that community should have a public building of a reasonable kind. I proceeded to purchase property, and I hope my hon. friend will realize his hopes and wishes and the wishes of his people, because there should be a public building in that centre of population. But when the leader of the opposition undertakes to divide this committee on the question whether there should be public expenditures in these small rural communities, I differ with him.

An hon. MEMBER: He did not say so.

Mr. WOODSWORTH: There are about 100,000 people in Prince Edward Island; there are 2,000,000 people in the west. Will the hon. member indicate what rural centres have been selected in Manitoba, Saskatchewan, Alberta and British Columbia for these buildings?

Mr. KING (Kootenay): I cannot say offhand. I know in the last few years there have been rural centres selected.

Mr. WOODSWORTH: Not in this estimate.

Mr. KING (Kootenay): No. Public buildings have been placed in them. I know that, and my hon. friend will find it is true. These are the estimates for the coming year. As I said at first and say now, I regard this estimate of $12,000 for the town of Kensington, Prince Edward Island, as absolutely justified.

Mr. LUCAS: At the beginning of this discussion I asked the minister to explain why certain estimates had been left out that had been previously voted in this House in the supplementary estimates at the beginning of this session. Before we vote anything on these estimates, as the House has already passed the supplementary estimates, we should have some better explanation than the minister has given why some of the items have been left out.

Mr. ELLIOTT: I have no further explanation. I thought that the explanation that was given was reasonably clear, but I will repeat it for the benefit of my hon. friend. The supplementary estimates are all now voted and the vote stands until the thirty-first March. A great deal of that money cannot be expended before the thirty-first March, and of course the government will have to consider later what attitude will be taken with regard to revoting. If the Minister of Finance and the other members of the treasury board were here, they would bear me out in the explanation which I made. In commencing to make up the main estimates, I think we started with Nova Scotia, and certain items that were in the supplementary estimates and that could not likely be reached until the end of this month, were inserted in the main estimates. But before they got along very far they decided that as the supplementary estimates had all been voted, and as there was a possibility that on account of both sides of the House having been committed to the supplementary estimates, they might be revoted en bloc, they should be left out of the main estimates. It was decided not to put into the main estimates anything that was in the supplementaries.

Mr. GARDINER: Why was not that done in this particular case?

Mr. ELLIOTT: This was done before we reached that decision.

Mr. GARDINER: Then will the minister hold this item until we come to the supplementaries?

Mr. ELLIOTT: No; it has been passed by the treasury board.

Mr. STEWART (Leeds): Might I ask if it is the intention of the government to vote the supplementaries that were passed en bloc.

Mr. ELLIOTT: That has not been decided by the government. I have certain views on the matter and I expressed those views privately this afternoon to the hon. member for Camrose (Mr. Lucas). I cannot say what will be done, however, because it has not been decided by the government.

Mr. HANSON: I would like to have a further declaration of policy by the government on this question of public buildings, and while I am on my feet I would like to corroborate the remarks of the hon. member for Westmorland (Mr. Price) in regard to the postal facilities in the city of Moncton. I suppose Moncton has the largest per capita postal revenue of any city in the maritime provinces and there is no doubt that the postal facilities are wholly inadequate to the present business being done there. Just previous to the election of 1925 the govern-

ment purchased an expensive but very good site, there was some difference of opinion as to where it should be, but the ex-Minister of Public Works (Mr. King, Kootenay) was always able to justify the selection which was made and with which I think he had something to do. The city of Moncton is paying into the treasury something over $300,000 in net revenue; the government have a fine site but they have not voted one dollar for the erection of a building. I think it is just as plain as the nose on your face that the city of Moncton voted wrong in 1925, according to the tenets of this government. Is Moncton to be punished for having turned down a political party? I do not think that is a good public policy, and I do not think the Prime Minister will agree to it. I can sympathize with my friend from Prince (Mr. MacLean) in his endeavour to get something for the rural communities and I can also sympathize with the ex-Minister of Public Works in the explanation he has made; most of those places never have a dollar of public money expended in them, although on the other hand it is fair to say that they produce very little postal revenue. But I think we should proceed on some proper policy, and it should not be the policy that these works go by favour. I think we should have from the minister to-night a declaration of the intention of the government. I could point out to him a town in my own county which is the most important railway centre in New Brunswick next to Moncton itself. The revenue is large, and the post office is located in a shingled shack. It is on the main street and in a good location, but the accommodation is very poor. Some day we hope to have a post office in that town but I have not asked for it because I did not think it was of such pressing importance that we should request it at this stage. But for Moncton I can make that request with a clear conscience; the people there do require increased facilities, and the revenue produced and the business done demand it.

Mr. VENIOT: Perhaps I may be permitted to add a word or two. The importance of a post office is not always judged by its revenue; in a great many cases it is judged by its location. If you take Kensington as an example you will find that it is the central point of distribution for five or six rural routes.

Mr. ARTHURS: And so are many other places.

Mr. VENIOT: No, there are not many such places.

Mr. ARTHURS: Yes there are.

[Mr. Hanson.]

Mr. VENIOT: Pardon me; I am addressing the committee just now, and I think I know what I am talking about. Kensington, with a population of 500, would never produce a revenue of $3,000 if it were not for the fact that it is the centre of distribution for rural mail routes some of which are twenty miles in length, and the same argument applies to the city of Moncton. Moncton is not a central distribution point, although I do not want to be understood as saying that Moncton should not have improved accommodation. I think the committee should know these facts, however. Previous to the establishment of the T. Eaton Company in Moncton, the revenue from that city only amounted to $167,000; after the establishment of that company the revenues of that office increased to the amount mentioned, but it did not increase by ten per cent the number of employees necessary to carry on the work of the office. To-day the T. Eaton Company have no direct connection with the Moncton post office or postal service; the service given the T. Eaton Company and the service they give to the public is carried on in the T. Eaton Company building, in which the postal department has thirteen clerks looking after the work. But allow me also to say that Moncton is deserving of and should have better accommodation than it has to-day; whether or not the government can see its way clear at present to grant an amount sufficient to build a post office there, an amount which would probably be in the vicinity of $200,000 or $250,000, I am not in a position to say. But it is not right to state that owing to the tremendous increase in its revenue Moncton is entitled to or requires this additional accommodation. It is not on account of the increased revenue at all, because there was no part of the Moncton post office accommodation taken up by the work of the T. Eaton Company.

Mr. HANSON: Is it not a fact that the T. Eaton Company was established there prior to 1925, and is it not also a fact that the government purchased an expensive site in that year?

Mr. VENIOT: No one denies that.

Mr. HANSON: Conditions were the same when the government bought the site, so why not build the post office?

Mr. VENIOT: A site was purchased in 1925 for $50,000, and the tenant is not in that building at present. He looked after it during the winter at a small rental and has now moved into other quarters. That site was

not purchased because of the increase in the revenues, better accommodation was necessary before the T. Eaton Company opened in that city, and that company to-day have taken up no part of the public building in the city of Moncton and they will not take up any part of any new building which may be erected, under the arrangements which have been made.

Mr. HANSON: I think the Postmaster General has correctly stated the facts. I was not dilating on the increase in revenue as a reason why a post office should be built, except to show that it was a large revenue-producing office. I quite agree with what the minister has said, but I do say that in 1925 the government came to the conclusion that Moncton should have a new post office. If we are to believe the Minister of Finance, the condition of the country has so improved that now the government should fulfil the promise made to the people of that city.

Mr. VENIOT: May I ask the hon. gentleman a question, which he may perhaps be able to answer. What about the various promises made by the hon. gentleman's own party when they were in power? They bought sites and left them without public buildings, as in 1913 they bought a site in the town of Truro for $14,000; there it is to-day, and nothing has been done to it. There was no necessity for purchasing the site because the public building in Truro to-day has sufficient ground around it to provide for enlargement such as will meet the requirements for twenty years to come.

Mr. HANSON: I do not know anything about that.

Mr. VENIOT: I do because I visited the place not a month ago.

Mr. ERNST: I want to go back to this vote and the explanation of the minister as to how it came to be inserted in the main estimates. I understood him to say that in compiling the estimates concerning the province of Nova Scotia those supplementary estimates were included which had not been voted last session. In that way the vote of $12,000 for the Kensington public building was included in the main estimates. But I draw his attention to the fact that that explanation cannot possibly be correct because the vote of $10,000 for a post office at Mahone bay in my constituency, which is a necessary vote, has been omitted. In view of the fact that the Kensington vote appears in the estimates I want to ask why the vote for Mahone bay was omitted and whether it will be inserted in the supplementary estimates.

Mr. DUFF: No, it will not.

Mr. ERNST: The hon. member for Antigonish-Guysborough apparently does not judge the people by their intelligence but by their ability to be purchased.

Mr. DUFF: I may say for the benefit of the committee and the Minister of Public Works that the people of Mahone bay instructed me to see that that money was not put in the supplementary estimates.

Mr. ERNST: Will the hon. member for Antigonish-Guysborough give me the names of the persons in Mahone bay who gave him that instruction?

Mr. DUFF: I should like to rise to a point of order. The hon. member should address the Chair.

Mr. ERNST: Will the hon. member for Antigonish-Guysborough kindly tell me the names of the persons who so instructed him? I challenge him to do so.

Amendment (Mr. Gardiner) negatived: Yeas, 62; Nays, 79.

The CHAIRMAN: Shall the vote carry?

Mr. ERNST: No, Mr. Chairman. Before it is carried I should like an answer from the Minister of Public Works. I may say that I represent the electors of the constituency of Queens-Lunenburg until the next general election.

Mr. DUFF: You have not got the patronage, I have got the patronage.

Mr. ERNST: Will the hon. minister answer my question? I should like an answer to my question as to whether this item was inadvertently omitted and whether it will appear in the supplementary estimate.

Mr. ELLIOTT: I cannot undertake to say at this stage what will appear in the supplementary estimates.

Mr. GARDINER: The hon. member for Antigonish-Guysborough has just made the statement that he controls the patronage of a certain constituency, I think the Queens-Lunenburg constituency. Is it the policy of the government to permit that? Is there any truth in the statement that a member representing a certain constituency can control the patronage in another constituency? Is that correct? I think before we proceed any further we ought to have this matter cleared up.

Mr. KENNEDY: Are we to understand

that estimates are prepared on the basis of how people vote? If that is the case we ought to know it now and it will largely determine our attitude in regard to other estimates. I know the plea is used at election time, but I sincerely hope that this government will not maintain that attitude with regard to public works and the expenditure of public money. If that is the basis on which estimates are made up, it is the worst form of patronage we could possibly have.

Mr. DUNNING: My hon. friend can find an answer to his question on the very page of the estimates now under discussion. The vote which passed a little time ago, vote No. 132, does not contain a single item for a constituency represented by a Liberal. Vote No. 133, the one under discussion, is, if my memory of locations in the maritime provinces is correct, the one item in three votes which is in a constituency represented by a gentleman who sits on this side of the House.

Mr. GARDINER: That is no answer to the question I asked the minister. The hon. member who represents Antigonish-Guysborough stated very emphatically that he controls the patronage in the constituency of Queens-Lunenburg. The reply which the Minister of Railways has given is no answer to the question.

Mr. DUNNING: I was attempting to answer not my hon. friend's question but the question asked by his colleague the hon. member for Peace River, which related to an entirely different matter.

Mr. GARDINER: I apologize for the mistake, but I still put my question. Is it correct that the hon. member for Antigonish-Guysborough controls the patronage in the constituency of Queens-Lunenburg?

Mr. ELLIOTT: If my hon. friend will go through these estimates he will realize the fact to which the Minister of Railways has just called attention, that they show a fair regard for the requirements of the particular place to which they relate, irrespective of what the representation of the constituency may be in this House. The reports of the engineers and the other officers as to the actual necessities—that is the test.

Mr. GARDINER: I accept the explanation given by the minister so far as it goes, but it goes only a very short distance. I do not question at all that these estimates have been given very serious consideration,, and that in the opinion of the minister and the government as a whole the different provinces have been very fairly dealt with. But that does not answer the question I asked of

of the minister: Does he support the attitude of the hon. member for Antigonish-Guysborough when he states that he controls the patronage of the constituency of Queens-Lunenburg—yes or no?

Mr. ELLIOTT: I think the estimates are the best answer.

Mr. GARDINER: If the minister does not care to answer, I will address my question to the Prime Minister.

Mr. MACKENZIE KING: I do not know that I caught the exact question of my hon. friend, but the purport of his remarks I think was as to whether the government in the matter of public buildings should be governed by party motives or public interest.

Some hon. MEMBERS: No.

Mr. MACKENZIE KING: What was the question?

Mr. GARDINER: During some cross-questioning between the hon. member for Antigonish-Guysborough and the hon. member for Queens-Lunenburg, the hon. member for Antigonish-Guysborough stated: "I control the patronage in the constituency of Lunenburg."

Mr. DUFF: I beg your pardon. I did not mention any constituency.

Mr. GARDINER: It was intimated that the hon. member controlled the patronage in the constituency. I asked the Minister of Public Works whether it was the policy of the government to allow one member representing one particular constituency to control patronage in another constituency. The Minister of Public Works has not thought it advisable to give a direct answer, and I therefore address the question to the Prime Minister.

Mr. MACKENZIE KING: I imagine it must have been the modesty of my colleague, not wishing to take too much credit to himself. The government controls the patronage, and with respect to public works the government speaks through the Minister of Public Works.

Item agreed to.

Edmundston—public building, $2,000.

Mr. HANSON: What is that for?

Mr. ELLIOTT: This is required to complete the building erected during 1925, 1926 and 1927.

Mr. HANSON: We have had a lot of buildings erected at Edmundston. Is this for the post office or customs?

Mr. ELLIOTT: The post office.

Mr. HANSON: The post office building was erected three or four years ago.

Mr. ELLIOTT: In 1925, 1926 and 1927.

Mr. HANSON: What has been the total cost of the Edmundston post office?

Mr. ELLIOTT: There has been so far expended $71,255, and the amount required to complete it is $2,000, making a total of $73,255.

Item agreed to.

Mr. STEVENS: We have had a pretty full day, and the government I think will agree that they have had no unfair opposition. It is now late, and I would suggest that the committee rise.

Mr. MACKENZIE KING: Before the committee rises I would ask my hon. friend if he would have any objection to our calling one item in the Mines department, so that we can go into committee of supply on that department on Thursday, which otherwise we could not do except by unanimous consent.

Mr. STEVENS: I do not think there is any objection to that.

Mines and Geological Survey—for organization and equipment of the Explosives divisions, under the Explosives Act, Chap. 31, 4-5 George V, $10,000.

Mr. STEWART (Edmonton): This is the same as last year.

Item agreed to.

Progress reported.

On motion of Mr. Mackenzie King the House adjourned at 11 p.m.

Wednesday, March 9, 1927

The House met at three o'clock.

MONTREAL, OTTAWA AND GEORGIAN BAY CANAL COMPANY

COMMUNICATION FROM LEGISLATIVE ASSEMBLY OF ONTARIO TRANSMITTING RESOLUTION

Mr. SPEAKER: I have the honour to inform the House that I have received from the clerk of the Legislative Assembly of Ontario the following communication:

Toronto, March 8th, 1927.

The Honourable Speaker,
House of Commons,
Ottawa, Ontario.

Dear Sir:

At the session of the Legislative Assembly of Ontario held yesterday afternoon, the 7th instant, a resolution was adopted by the House dealing with the request contained in Bill No. 78 of your House asking for an extension of the charter of the Georgian Bay Ship Canal Company.

A properly certified copy of the resolution in question is being forwarded to you through the medium of the Lieutenant-Governor, as is proper in such cases, but as the bill is now before your House for consideration I am taking the liberty of enclosing herein a copy of the resolution duly certified by me in order that you may be advised of the action of the Ontario assembly.

Yours respectfully,

(Signed) ALEX. C. LEWIS,
Clerk of the Legislative Assembly.

On motion of Mr. Ferguson, seconded by Mr. Raney,

Resolved, that this House respectfully urges the parliament of Canada not to enact Bill (No. 78) of the House of Commons respecting the Montreal, Ottawa and Georgian Bay Company for the reasons hereinafter set forth:

That the bill proposes to renew a charter to authorize the construction of a canal and the development of water-powers on the Ottawa and the French rivers which said charter has already been in existence for thirty-three years without any evidence of progress toward the accomplishment of the projected canal;

That the application to parliament is an effort on the part of private promoters to secure through the federal parliament the control and ownership of a great and valuable public utility;

That the water-powers in the Ottawa river in inter-provincial waters are the joint property of the provinces of Ontario and Quebec, and that the powers in the French river are wholly situate within Ontario and are the property of the province of Ontario and cannot be rightfully legislated upon by the Dominion parliament;

That the development of these powers is essential to the industry and the prosperity of the two provinces of Ontario and Quebec, and the only effect of federal legislation purporting to vest these powers in a private company will be to retard development, create litigation and impair the public interest;

That the water-powers of the Ottawa river, so far as they belong to this province, are an essential part of the public development and distribution of power in Ontario in which the people of this province have already invested upwards of $276,000,000;

That this legislative assembly desires to record its most earnest and emphatic protest against the attempt being made, by means of a private bill in the Dominion parliament, to alienate valuable water-powers from the control and ownership of this province, and thereby deprive the people of Ontario of the advantage of one of our greatest natural resources for the benefit and advantage of private promoters;

That the province of Ontario respectfully urges that the rights guaranteed to the provinces under the federal constitution should be at all times respected by the parliament of Canada;

That this House believes that the occasion calls for a strong and conclusive pronouncement against the proposed legislation as being contrary to the spirit and the terms of confederation and prejudicial to the public interest.

For these and other reasons this House directs that copies of this resolution be forwarded to the Prime Minister of Canada and to the Speakers of the two Houses of Parliament of Canada.

The above is a true copy of a resolution adopted, without a dissenting voice, by the Legislative Assembly of Ontario on Monday, March 7, 1927.

(Signed) ALEX. C. LEWIS,
Clerk of the Legislative Assembly.

Toronto, March 8th, 1927.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

POINT PELEE LIFE SAVING STATION

Mr. GOTT:

1. Who is coxswain of Point Pelee life saving station?
2. What salary does he draw?
3. Is his wife on the pay roll of the department?
4. If so, what salary is paid her?
5. If not, how is she paid?
6. How many people comprise the entire crew?
7. What does it cost the country per month to maintain the station?
8. What provision is made for feeding the crew and what allowance is made for their board?
9. To whom is said allowance made?
10. Has there been any complaint regarding the food?
11. Is the system one that the cheaper the men are fed the more there is for the coxswain's pocket?
12. What was the total cost for maintaining the station for the year 1926?
13. When was the station first established?
14. What has been the cost of maintenance: (a) total cost; (b) each year since it was established?
15. What training or practice is participated in by the crew under the present coxswain?
16. What utensils are supplied by the government at the station, and is there any limit to expenditures?
17. Can a narrative be given of any service the crew under the present coxswain has been known to perform of recent date?
18. Following a gruesome tale of the lakes, in which nine lives were lost off Point Pelee on May 3, 1925, were there any complaints received by the department concerning the captain of the Point Pelee life saving station?
19. Was it ever reported to the department that the fishermen played a more prominent part in the rescue work than the crew of the life saving station?
20. Was the resignation of the present coxswain ever submitted to the department, or any district office? If so, when and what action was taken?

[Mr. Speaker.]

21. Has any person been recommended to take his place? If so, who?
22. Has the department received any application for the position?
23. Did the government receive the following resolution passed by the Pelee Park patrons on July 21, 1926:

"That we call the attention of the Department of Marine and Fisheries to the fact that though the tug Peter Pan 2nd was in distress and blowing continuously on the morning of January 21st, a short distance from the Point Pelee life saving station, no effort was made by the crew stationed there to reach her until after six in the morning, and then owing to inefficiency they were unable to do so in weather so moderate that all the fishermen were attending their nets as usual; and we ask that this matter be investigated at once to prevent another such accident as the Pelee Island mishap of a year ago."

24. If so, what action was taken, or will be taken?
25. Is it the intention of the government to retain in its service for the year 1927 the present coxswain of and at the Point Pelee life saving station?

Hon. Mr. CARDIN:

1. Lewis Wilkinson.
2. $100 per month plus $25 board allowance while station is in operation and $75 per year extra for his services as caretaker during winter.
3. No.
4. No.
5. No.
6. 9—Coxswain, cook and 7 boatmen.
7. $725. (Wages $500, board $225). (Repairs, supplies, etc., vary).
8. A cook is provided and each member of the crew is allowed $25 per month for his board.
9. The cheque for board allowance for the full crew is sent the coxswain.

10 and 11. No complaints have reached the department.

12. $7,378.76. (Up to date for fiscal year 1926-27) (covers: wages, board, repairs and labour supplies, clothing, etc.)

13. The station was first established in 1900 with a volunteer crew. Since 1910 the station has been manned by a permanent crew, that is, during the season of navigation.

14. (a) $112,244.43; (b) 1900, $224.29; 1901, $2.80; 1902; 1903, $730.44; 1904, $411; 1905, $439; 1906, $327; 1907, $427.10; 1908, $294; 1909, $361.50; 1910, $363.56; 1911, $1,838.25; 1912, $4,125.97; 1913, $4,449.42; 1914, $4,859.93; 1915, $4,878.51; 1916, $10,626.26 ($5,500 erection of boathouse); 1917, $4,948.69; 1918, $5,252.54; 1919, $4,052.88; 1920, $4,701.51; 1921, $9,322.71; 1922, $8,504.84; 1923, $7,126.80; 1924, $7,670.55; 1925, $7,513.25; 1926, $11,412.87; present fiscal year, $7,378.76.

15. Drills performed twice a week (include managing the life boat and other duties connected with the station and an exercise of four or five miles in the boat.

16. Household supplies (living room, dining room, bedroom and kitchen furnishings) uniforms, oilskins and rubber boots, and boathouse supplies. Only essentials supplied and articles replaced when deemed unfit for further use.

17. The coxswain will be requested to submit a report of the operations of the station covering the fiscal year ending March 31st.

18. No. (Extract from a letter received from clerk of the peace, Windsor, Ont.) "Although this took place within 3 miles of the life saving station no one there knew of it, although the boat could be seen floating bottom up quite clearly from the shore and the whistle was blown hard before the boat turned turtle."

19. The coxswain in his report of the accident states: "When the man on the beach reported ship aground made ready to go out. Saw fishing vessel "Flossie G." which had been lifting nets close by proceeding to assistance so waited their report. Survivors landed by fishing boat and taken care of at station. Survivors stated no danger whistle blown—engine room whistle blown by captain—two short blasts."

Captain Demers in summing up his evidence of investigation states: "Even if the lifeboat had been manned it could not have rendered any help as the turning over of the vessel was so sudden that the crew was trapped and perished within a few minutes. The distance from the station to the place of casualty is estimated to be 3 miles and when the crew searched the place on the following morning Sunday May 3rd, when the weather and wind had subsided, this distance was covered in one hour and ten minutes. In view of this I am of the opinion that the life saving crew would not have rendered help and saved other lives."

20. The department has no record of the coxswain's resignation having been received.

21. William A. Grubb, Jr., recommended by Eccles J. Gott, M.P., and others.

22. Yes.

23. The department did receive the resolution dated 28th June, 1926.

24 and 25. The department contemplates the complete reorganization of this station.

* NATURAL RESOURCES—ALBERTA

Mr. CHURCH:

1. Will the government lay on the table of the House the text of the reference to the Supreme Court of Canada of the Alberta resources question?

2. Will the case be argued before a special sitting or at the next regular sitting of the court, and if so, when?

3. What counsel will appear for the government or province?

4. Has the Alberta government agreed to this reference, and will Alberta be represented at the hearing, or not?

5. Will the government lay on the table any correspondence on the subject of this reference with Alberta's government?

6. Who were the persons who expressed "implied doubts" as to the validity of the Alberta Act, 1905, referred to in statement of the Minister of Justice in the House on reference to Supreme Court (1926)?

7. Will the government lay on the table of the House the opinions it secured or has received as to the validity of the Alberta Act, 1905, from the Alberta government?

Hon. Mr. LAPOINTE: Mr. Speaker, in answer to the hon. gentleman, the government has already laid on the table of the House all documents and given all the information concerning this matter. Argument was concluded last Monday on the reference to the Supreme Court of Canada. The Attorney General of Canada was represented by the Solicitor General (Mr. Cannon) and Mr. Eugene Lafleur, K.C. of Montreal; the case against the validity of the Alberta Act was presented by Mr. F. H. Chrysler, K.C. of Ottawa, who was appointed by the Supreme Court for that purpose; the province of Alberta was represented by Mr. George F. Henderson, K.C. of Ottawa, and the province of Saskatchewan by Mr. Harold Fisher, K.C., of Ottawa.

PENSION TO SOLDIERS

Mr. PECK:

1. Has the government received any requests to amend the Pension Act so as to enable the granting of pensions to soldiers who, when on active service, contracted venereal disease and as a result, partly or wholly, are under disability?

2. Will the government take steps to amend the act so as to permit issue of pensions in such cases?

Hon. Mr. RALSTON:

1. A resolution submitted by the Canadian Legion proposes that the Pension Act be amended to provide for recognition of disabilities from venereal disease contracted during service.

2. The recommendation is being considered together with some one hundred others recently submitted by the legion.

BELL TELEPHONE CO.—GOVERNMENT CONTRACTS

Mr. GEARY:

1. Has the government a contract or contracts with the Bell Telephone Company of Canada for telephone service?

2. Have the Canadian National Railways a contract or contracts with the Bell Telephone Company of Canada for telephone service?
3. If so, may all such contracts be tabled?

Hon. Mr. RINFRET:

1. Yes.
2. Yes; covered by agreement between the Bell Telephone Company of Canada and the Grand Trunk Railway Company of Canada. dated May 1, 1913.
3. Copy will be tabled.

LENROOT TABER MILK BILL

Mr. BOIVIN:

1. Is the Department of Agriculture aware that United States government has adopted what is known as the Lenroot Taber Milk Bill, controlling and regulating the acceptance of milk and cream in the United States?
2. If so, when will this Lenroot Taber Milk Bill, as far as it affects Canada, come in force?
3. Will it prohibit Canadians shipping milk and cream to United States, and if not, on what regulation will Canadian products be controlled?
4. Has the Department of Agriculture taken steps so that Canadian producers of milk and cream will put in equipment to meet these regulations?

Hon. Mr. MOTHERWELL:

1. Yes.
2. The Act itself comes into effect within ninety days after the date of enactment, that is ninety days after February 15th, 1927.
3. It is not anticipated that the new Act will prohibit Canadians shipping milk and cream to the United States, as provision is made in the Act for all applicants to receive a temporary permit at the outset, until the machinery incidental to the Act is put in motion. The conditions under which shipments will be permitted will not be known until the regulations are drafted and approved, and the Canadian Department of Agriculture is to have an opportunity of being represented at the public hearing to be held at Washington when these regulations are being drafted, probably late March or early April.
4. No, inasmuch as the conditions under which Canadian milk and cream will be permitted entry into the United States are not yet fully known, no steps have been taken, but the Department is keeping in close touch with day-to-day developments in Washington with respect to the subject in question.

WAR CLAIMS COMMISSION—REPORT

Mr. TOLMIE:

1. Has the royal commission for the investigation of illegal warfare claims and for the return of sequestrated property in necessitous cases made its final report to the government?
2. If so, when will the contents of same be laid on the table?

Hon. Mr. RINFRET:

1. No. An interim report covering 1,497 claims totalling $41,505,787.80 has been submitted by the commissioner. There still remains thirteen claims for assessment, and the commissioner reports that "there are in these cases such masses of documents, evidence, briefs, calculations by experts, accountants, etc., that it will take further time to deliver intelligent decisions."
2. Answered by No. 1.

TELEPHONE TAXES

Mr. CHURCH:

1. What federal taxes does the Bell Telephone Company pay per annum?
2. What federal taxes does the provincial government owned telephone systems pay per annum, (2) in Manitoba; (b) in Saskatchewan; (c) in Alberta?

Hon. Mr. EULER:

1 and 2. It is contrary to the practice of the department to give information which would disclose the business of an individual concern, except by resolution of parliament.

CIVIL SERVICE COMMISSION—APPOINTMENTS

Mr. MILLAR:

1. How many appointments have been made by the Civil Service Commission during each of the years 1924, 1925 and 1926, to positions for which one or more returned soldiers were applicants?
2. How many returned soldiers were appointed to above vacant positions in each of the years 1924, 1925, 1926?

Hon. Mr. RINFRET:

1. Number of persons examined by the Civil Service Commission for entrance to the civil service:

Year	O.A.S.	Non-O.A.S.	Total
1924	4,875	5,269	10,144
1925	4,962	7,931	12,893
1926	3,942	7,997	11,939
Total	13,779	21,197	34,876

2.

APPOINTMENTS MADE BY THE CIVIL SERVICE COMMISSION

Year	Permanent (Including Postmasters)				Seasonal				Temporary				Total			
	OAS	MC	Wo.	Total	OAS	MC	Wo.	Total	OAS	MC	Wo.	Total	OAS	MC	Wo.	Total
1924	952	510	360	1,822	114	54	6	174	1,020	936	468	2,424	2,086	1,500	834	4,420
1925	1,085	761	323	2,169	100	59	15	174	877	1,437	614	2,928	2,062	2,257	952	5,271
1926	635	575	305	1,515	97	41	16	154	934	1,222	791	2,947	1,666	1,838	1,112	4,616
	2,672	1,846	988	5,506	311	154	37	502	2,831	3,595	1,873	8,299	5,814	5,595	2,898	14,307

OAS—Overseas Active Service.
MC—Male Civilian.
Wo.—Women.

RETURNED SOLDIERS APPOINTED BY THE CIVIL SERVICE COMMISSION

Year	Permanent	Seasonal	Post-masters	Total Permanent	Temporary	Grand Total
1924	866	114	86	1,066	1,020	2,086
1925	986	100	99	1,185	877	2,062
1926	554	97	81	732	934	1,666
	2,406	311	266	2,983	2,831	5,814

OTTAWA POST OFFICE—EMPLOYEES

Mr. HOCKEN:

1. How many employees are there in the post office in Ottawa?
2. How many are males?
3. How many are females?
4. How many of the females are French?
5. How many of the males are French?

Hon. Mr. VENIOT:

1. 357.
2. 348.
3. 9.
4. 4.
5. 115.

INVERNESS PREVENTIVE OFFICERS

Mr. MACDOUGALL:

1. How many special preventive officers are there in the county of Inverness?
2. Who are they and what salary does each receive?
3. How much time are these officials supposed to devote to their duties?

Hon. Mr. EULER:

1 and 2. J. C. Bourinot, salary $1,920 per annum; A. J. Campbell, salary $1,200 per annum.

3. Full time.

This does not include four officers without salary, whose headquarters are outside Inverness county but who have Dominion-wide authority.

HOME BANK RELIEF ACT—FURTHER GRANT

Mr. ADSHEAD:

1. Has the government received from the commissioner appointed under the Home Bank Relief Act, a recommendation for a further grant of five hundred thousand ($500,000) dollars, in order that creditors who have filed their claims may be dealt with?
2. If so, what action is being contemplated?

Right Hon. Mr. MACKENZIE KING:

1. No.
2. Answered by No. 1.

GOVERNMENT TELEGRAPH EMPLOYEES

Mr. BRADY:

1. Has the government taken any steps to include under the revised civil service pension scheme, those government telegraph employees who have not given twenty years' service or more?
2. If not, is it the intention of the government to place such government telegraph employees under the revised civil service pension scheme?

Hon. Mr. ELLIOTT:

1. The telegraph employees are paid at prevailing rates, and as such do not come within the Civil Service Superannuation Act of 1924.
2. Answered by No. 1.

[Mr. Rinfret.]

COMMANDING OFFICERS—INFANTRY BATTALIONS

Mr. ROSS (Kingston):

1. How many commanding officers of infantry battalions in Canada have resigned in last three years?
2. How many have been appointed to replace them in command?
3. How many officers of other ranks than command have resigned?
4. How many appointments have been made to replace the vacancies caused by (3)?

Hon. Mr. RALSTON:

	1924	1925	1926	Total
1.	nil.	nil.	nil.	nil.
2.	nil.	nil.	nil.	nil.
3.	48	45	52	145

4. Officers of the various ranks provided for in the establishments laid down for infantry battalions are replaced by the promotion of juniors if qualified as soon as vacancies are created, and the same numbers given in answer to No. 3 may be held applicable to No. 4.

QUESTIONS PASSED AS ORDERS FOR RETURNS

YUKON—DOMINION REVENUES

Mr. EVANS:

1. What revenues were received by the Dominion government from the Yukon, by years, since its formation as an administrative unit?
2. What were expenditures in Yukon during these years by the Dominion government?

OFFICIAL MOTOR CARS

Hon. Mr. EDWARDS (Frontenac):

1. How many motor cars have been purchased for the use of the several departments of the government, of what make are the said cars, what did each cost, and when were respective purchases made, during the past five years?
2. How many automobiles have been purchased for the personal use of the cabinet ministers, of what make was each car, when purchased, and what was the cost of each, during the last five years?
3. What was the amount expended for maintenance and repairs of cars referred to in questions one and two, during each of the last five calendar years?
4. How many chauffeurs are being paid out of the public treasury for driving the cars used by ministers of the crown, and how much have such services cost in salaries and uniforms, during the last five years?
5. Are the chauffeurs referred to in previous question permitted to avail themselves of the ministers' automobiles for their personal use and that of their friends?

PRIVATE CARS USED OFFICIALLY

Hon. Mr. EDWARDS (Frontenac):

1. How many private cars are owned or leased by the government and what are they named or numbered?
2. What was the total cost of said cars and the amount expended during the last five years in making repairs or changes to such cars?

3. What was the cost of operating same during the calendar years 1922, 1923, 1924, 1925 and 1926?

4. Was anything paid for hauling or shunting of said cars during each of the said years? If so, how much?

5. Where are the said cars located, how many at Montreal, how many at Ottawa and how many elsewhere?

6. Have any of the departments of the government or ministers of the same, cars for their particular use and what are the names and numbers of such cars and the departments and ministers making use of the same?

7. Have any of the cars referred to been placed at the disposal of other ministers or other persons during the last five years? If so, when and by whom?

8. Do any of the railways in Canada or in the United States make any charge for transportation or handling of said cars? If so, what is the rate or do the companies in Canada by courtesy dead head such cars?

CIVIL SERVICE COMMISSION—STAFF AND SALARIES

Mr. LAVIGUEUR:

1. How many persons are employed by the Civil Service Commission, and what are their respective functions?

2. What salary is paid to each person employed by said commission?

3. What salaries do the commissioners receive?

4. What were the total expenses incurred for the administration of said commission including salaries and all other expenditures, for the years 1921 to 1927, respectively?

DISMISSAL OF POSTMASTERS

Hon. Mr. EDWARDS (Frontenac):

1. What are the names of the postmasters dismissed from office since the last federal election for political partisanship, and in what counties are the offices situated?

2. What are the names of the postmasters removed from office at the request of,—(a) Liberal members of parliament; (b) Liberal candidates defeated at last election; (c) Conservative members or defeated Conservative candidates; (d) Progressive members or defeated Progressive candidates; (e) Liberal-Progressive members or defeated Liberal-Progressive candidates; (f) members of other parties or defeated candidates of other parties?

UNOPPOSED MOTIONS FOR PAPERS

NATURAL RESOURCES OF ALBERTA—PROPOSED AGREEMENT

Mr. EVANS:

For a copy of proposed agreement regarding resources of Alberta, with amendments; also a copy of all correspondence between the Prime Minister of Canada and the Premier of Alberta, dealing with same, from December, 1921, to date.

CANADIAN NATIONAL RAILWAYS—PURCHASE OF THOMPSON AND AKERBURG'S MACHINE SHOP

Hon. Mr. STEVENS:

For a copy af all letters, telegrams, proposed agreements and agreements affecting the purchase by the national railways or by any department of the government of the machine work shop of Thompson and Akerburg, Prince Rupert, British Columbia, together with the report of the officer or officers who made the appraisal of the said plant and assets so purchased.

E. W. BACKUS—MANITOBA PULPWOOD

Mr. BISSETT:

For a copy of all letters, telegrams or other correspondence between E. W. Backus, or any other individual, company or companies, and the Department of the Interior, relative to the purchase of pulpwood in the province of Manitoba.

MONTREAL—EXTERMINATION OF RABIES

Mr. BELL (St. Antoine):

For a copy of the official regulations at present in force to exterminate rabies in the city and district of Montreal.

CIVIL SERVANTS EARNING $3,000 AND UPWARDS

Mr. DENIS (Joliette):

For a list of all the civil servants in Canada earning a salary at the rate of $3,000 a year or over, on the date of January 1, 1927, indicating in each case, the full name of the person, the grade or nature of the work done, the salary so earned and the department in which that person is working, all names for each separate department being grouped together.

MESSRS. REID AND COLLEY

Mr. BLACK (Yukon):

For a copy of all letters, telegrams, reports and other correspondence or communications between the government of Canada, or any member thereof, or deputy minister, or official of the government, or the Civil Service Commission, or any official thereof, or the Gold Commissioner of Yukon, or any official of Yukon, and any person or persons, relating to the proposed appointment, the appointment and the cancellation of appointment of George Reid of Yukon to be acting mining recorder or to perform the duties of mining recorder at Mayo, Yukon territory, in the absence of the mining recorder from Mayo during the winter or part of the winter of 1926-27, and the same relating to the appointment of one Colley to fill said position of acting mining recorder.

LIMERICK, SASKATCHEWAN, POST OFFICE

Mr. DONNELLY:

For a copy of all letters, telegrams and other documents from July 1, 1926, to March 1, 1927, with regard to the moving of the post office from one building to another in the village of Limerick, Saskatchewan.

LIVE STOCK EXCHANGES

Mr. KENNEDY:

For a return showing the names and locations of all live stock exchanges in Canada, the owners of each exchange, the names of members of each exchange, the firms represented by such members and the cost of each membership.

BRITISH NORTH AMERICA ACT

PROPOSED SPECIAL COMMITTEE TO CONSIDER AMENDMENTS

Mr. J. S. WOODSWORTH (Winnipeg North Centre) moved:

That, in the opinion of this House, in view of: (a) the constitutional developments of the last sixty years: (b) the dissatisfaction of certain provinces; (c) the changed conditions in industry, commerce and finance not contemplated at the time of confederation; and, (d) the action of the Senate in preventing the enactment of popular legislation, there should be appointed a special select committee to consider what amendments might be made in the British North America Act which, while conserving the principles of confederation, would enable us more adequately to cope with the complicated problems which now confront Canada.

He said: As will be observed, my argument is outlined in the terms of the resolution itself. I have called attention to the changes and developments in the constitutional relations of this country during the past sixty years. It is not my purpose to go into the rather complicated question of the Imperial conference and the changed status which has come, or is alleged to have come, through that conference. I presume that that matter will receive very full discussion at a later date when the report of the conference is under review. I would, however, venture to call attention to the fact that the conference itself recognized some of the changes which are becoming necessary because of the altered conditions in Canada and in the other dominions. From the report of the Imperial conference I quote the following:

The rapid evolution of the oversea dominions during the last fifty years has involved many complicated adjustments of old political machinery to changing conditions. The tendency towards equality of status was both right and inevitable. Geographical and other conditions made this impossible of attainment by the way of confederation. The only alternative was by the way of autonomy; and along this road it has been steadily sought. Every self-governing member of the empire is now the master of its destiny. In fact, if not always in form, it is subject to no compulsion whatever.

There is here very clearly recognized the evolution that has been taking place in the relations of the various overseas dominions, and now it is declared that Great Britain and the dominions are equal in status and in no way subordinate one to another, in any aspect of their domestic or external affairs. It seems to me, then, that the time has come when we must implement this statement by amending our constitution and our constitutional procedure in order that these may conform to our present status—whether that status was acquired at the Imperial conference or at that conference it was merely formally declared.

I do not think that for my purpose it makes very much difference whether we acquired a new status at the Imperial conference or whether, at that conference, declaration was made of a condition of things which was already in existence. The fact is that we are recognized as having a certain status to-day, and it is also clearly recognized that there are many legislative and constitutional anomalies in existence which ought to be removed in order that we may fully implement the declaration made at the Imperial conference. Among these anomalies, and in my opinion, of very great importance to us, is the fact that at the present time there is no way in which we ourselves can amend our constitution. I presume that we could pass an address in this House and ask that a similar address be passed in the Senate, praying the parliament of Great Britain to change our constitution. That may be the manner in which the change will have to be brought about. The fact is, however, that we ourselves have no means by which we can amend our own constitution; and in this respect we are inferior to Australia and South Africa. We talk about equality of status, but in this direction alone we are inferior not only to the motherland, but to others of the dominions. Decidedly we should bring our status up to that of South Africa or of Australia, whose constitutions happen to be more modern and therefore include the right of amendment. We have been rather accustomed to think of ourselves as the premier dominion, but it cannot be said that we have very much to boast of when these much less important and more recent confederations enjoy greater autonomy than we do. I quite admit that they may be right who say that this power of amending our constitution is already within our possession, and that in reality we have those powers; I fancy if we made a request to Great Britain, that request would be complied with. In that case, let us proceed to find out as a first step what modifications we really want to see brought about. The exact method by which that may be done may be a matter for subsequent discussion.

I would draw attention to the fact, Mr. Speaker, that there is dissatisfaction in certain provinces of Canada. I think I need not go into the question of the rights of the Maritime provinces, since that matter was before us last session, and will shortly be brought up again in connection with the report of the Duncan commission, but in certain quarters

of the maritime provinces there has been distinct talk of secession. I am not in a position to say how widespread that sentiment may be, but I do know that it has been overtly expressed and, I am inclined to think, with considerable earnestness. It is stated that unless conditions are radically changed it may be necessary to advocate secession. Undoubtedly that feeling points very distinctly to the need for modification of our present relations.

Further I would say that our western provinces are far from satisfied with the conditions which have prevailed for a good many years in the public policies of Canada, and which we have found it very difficult to remedy. The other day, in the discussion of this resolution by a western gentleman of considerable political experience and, I think, of good judgment, he said, "What is the use of tinkering with the British North America Act? The west must break away, and then possibly we can coöperate on another basis." That is, he felt the case at present to be so hopeless that it was a mere waste of time to suggest that we should modify the British North America Act, and that the only possible thing for us to do was to let things go from bad to worse until the crash came, when the west might unite with the other provinces under some entirely new arrangement. That is not an extravagant statement by any means, but represents a feeling which is very widespread throughout the western country. It would seem to me a great deal wiser to recognize the economic developments which have taken place and which call for the adaptation of our political machinery. I know it is very easy for certain members of this House to jump up and say that those who talk secession or express dissatisfaction are traitors; that is especially easy for those who live in the central provinces, which are so very largely the beneficiaries of the present arrangements. But I would say rather that they are traitors—if that harsh term must be used—at least, that they are not working in the best interests of Canada, who deliberately refuse to recognize the actual conditions, and who refuse to allow these modifications which will do away with that dissatisfaction.

Of the many great changes which have come about in the last sixty years I would mention only two or three, and first I would take the opening up of the Canadian west. Sixty years ago the Canadian west was inhabited only by Indians. Now all that vast territory has been developed; great cities have been established and that part of Canada has become the source of a great deal of the production of this country. We have now nearly 2,000,000 people living in the three prairie provinces. I would submit that that in itself represents an entire change in the life of Canada, a change which has not been fully appreciated by those living in the older sections. I know from the casual contacts which one has with the people of the east that a great many of them think we westerners are very extravagant and have all sorts of queer notions. I would remind the House that a great many of us came originally from the east, and have had to face new conditions. So it would seem to me that when we present these conditions to the east our eastern friends might surely realize, that if we have reacted in a particular way because of our contact with conditions in the west, very probably they would react in a similar way if they were to face similar experiences.

Mr. COOTE: They would be a lot worse.

Mr. WOODSWORTH: My hon. friend from Macleod (Mr. Coote) suggests that they would be worse, and that is possibly so.

In the next place I would refer to the great changes only beginning to be felt because of the opening of the Panama canal. I know that many of my fellow citizens of Winnipeg are only beginning to realize what that will mean, and some of them resent very strongly the diversion of traffic which has already taken place. All I desire to point out in that connection is that this means that our trade relationships must be placed on an altogether different basis, and that we may require modified policies. Again there is the development of trade with the orient, and I think hon. members from British Columbia would try to impress upon the House what that is going to mean in the days to come. Already that trade has a large volume, and here again this will mean a complete shifting of the trade routes in future, together with the modification of our trade policies. A further extension of that same line of thought is the wider world relationships in which we find ourselves, and which I think have become apparent to all especially since the war.

The mere mention of these concrete facts, should be sufficient to convince any member of this House that we have gone through very distinct changes, and that because of these changes we have experienced very considerable dissatisfaction with the old and inadequate political forms and policies. It would appear to be the part of wisdom to try to get at the real causes of this trouble, because there are real causes behind it which should be remedied.

Almost every day in this House we are confronted with difficulties arising from the conflict of jurisdiction as between the Dominion and provincial governments; only this morning in the banking and commerce committee we had another illustration of this difficulty. I suppose troubles of this kind may give our constitutional lawyers a great deal of work, but it would seem to an ordinary layman that instead of wrangling eternally about these matters and instead of having to refer one thing after another to our law officers, to the Supreme Court of Canada and to the Privy Council, it would be wise to clarify our constitution so that we would know just what is under federal jurisdiction and what is under the control of the provinces.

I have called attention to the changed conditions in industry, commerce and finance not contemplated at the time of confederation. At the time of confederation, as a matter of fact, Canada consisted of very little more than a series of pioneer settlements. The life of Canada was very largely agricultural. On the whole the communities were more or less self contained. Nearly all of us in going back to our childhood days can remember the little villages scattered throughout the country where there would be found at the corners a blacksmith shop, a carpenter shop, possibly a weaving establishment, a few simple industries that provided for the needs of the immediately surrounding country. We had those small country stores, while in the cities there were general stores that supplied the needs of the comparatively small populations of those centres. I can remember living in the city of Toronto when there were fewer than 100,000 inhabitants. Some of the Toronto people can hardly realize that Toronto was ever so small, but large as the city is to-day we must remember that its growth is of very recent years. These are some of the changes that have come about. Sixty years ago we had no highly concentrated system of capitalism such as we have to-day. There were a great many small industries, there were a great many small banks. To-day everything is changed. We have our huge factories, we have our developing trusts, we have our two great railway systems, and we have our banking systems representing a very highly concentrated system of finance. All is changed.

I note this particularly in connection with questions of legislation affecting labour. I come now to some very practical questions. Take the Industrial Disputes Investigations Act. We all know how difficult it has been to get anything of that kind established in Canada, and even to-day we hardly know whether the present legislation is intra vires of the Dominion or not. Take such questions as the eight-hour day, the minimum wage, old age pensions, unemployment insurance, the education of immigrants—especially the foreign immigrants who are coming to us—questions with regard to bonuses and subsidies and how far any particular undertaking ought to be declared for the general welfare of Canada. These are very important questions, and I find that with regard to such practical considerations we can hardly touch one of them without being held up over this question of jurisdiction. As far back as 1889 the Royal Commission on the Relations of Capital and Labour reporting said:

> Your commissioners cannot venture to determine where, in legislation affecting labour and capital, the authority of the Dominion parliament ends and that of the provincial legislatures begins.

That is the commissioners found themselves absolutely nonplussed when they came to run a dividing line between the jurisdiction of the Dominion and the provincial assemblies. Or again only last year in the report of our own select standing committee on industrial and international relations we find the same difficulty revealed. I read from the report:

> It was stated by the Deputy Minister of Justice that according to the British North America Act legislative jurisdiction in regard to minimum wages is vested primarily in the provincial legislatures. He also quoted section 132 as follows: "The parliament of Canada shall have all powers necessary or proper for performing the obligations of Canada or any provinces thereof as part of the British Empire, towards foreign countries, arising out of any treaty between the empire and such foreign countries." Commenting on this he said: "There can be no doubt that where Canada has entered into an obligation by treaty—and in that connection I mean an association with the empire of course—within the meaning of section 132, which I have just read—I do not think there is any doubt but that parliament has power to legislate for the purpose of carrying into effect the provision of the treaty." This opinion goes to show that the British North America Act by no means contemplated industrial problems of the kind and scope to which Canadians to-day must adjust themselves.

It is that kind of thing that has led me to introduce a resolution of this character. In one sentence we are told by the Deputy Minister of Justice that this matter is primarily the affair of the provinces; in the next, he quotes another clause of the act, and says there is no doubt but that the federal authorities have jurisdiction. It depends upon the clause of the British North America Act

which you quote, and lawyers can argue themselves black in the face over the matter. It all depends on the emphasis that is given to one or the other of these clauses. I have no doubt that this confusion may be a very good thing for some of our legal friends who may be retained on one side or the other, but I would suggest that when the matter is viewed from the standpoint of the country as a whole it is better that we should know clearly just where we stand on these matters.

I have said that these changes were not contemplated at the time of confederation. I do not suppose it is necessary to say that in making such a statement I am not casting any reflection on the fathers of confederation. They did the best they could to meet the needs of their day, but I would say that we are truest to their spirit if we attempt in our day to meet the needs that concern us. The fathers of confederation could not have had any idea sixty years ago of the vast changes that were coming; they could not possibly have the prescience which would enable them to visualize them. Hence there were no suitable provisions in the British North America Act for these new needs. This summer we shall celebrate the diamond jubilee of confederation. I think it could not be done better than by showing that we at least are sufficiently the children of our fathers to insist that we will do in our day what they did in theirs—try to meet the real needs of the country.

Now I pass on to the next point I have mentioned in the resolution, and that is the action of the Senate in preventing the enactment of popular legislation. It is not my purpose, Mr. Speaker, to enter into any very lengthy discussion of the need for reform of the Senate. But I should like to point out that we have had in the last few years a splendid exhibition of the power the Senate possesses in nullifying the expressed will of the people. I have here a list of the measures rejected by the Senate since confederation, which was placed on Hansard in 1925 by Mr. Lewis, the then member for Swift Current. It will be found in volume 1, page 935 and consists of some one hundred and fifty measures. Whilst there may be some whose rejection a later and more mature judgment might justify, I think it will be recognized that on the whole the action of the Senate has been reactionary in character. We remember the measures that last year were rejected by the Senate. The amendments to the criminal code, the amendments to the Immigration Act, which had passed this House several times in succession in various forms were again rejected by the Senate. But above all I think of the old age pension bill. I am not going to characterize the action of the Senate in rejecting this bill. I think I could not do better than to refer hon. members to the speech of my friend from Comox-Alberni (Mr. Neill), on his motion to ascertain the action taken by the Senate. You will find that in Hansard, page 4420. I do not know that that motion was ever put, I do not know that we ever had any report as to why the Senate threw out that legislation, I content myself with saying that it is intolerable that an irresponsible body should be able to nullify the action of the elected representatives of the people. Right across this country from coast to coast there has been felt and expressed a decided resentment on account of the action of the Senate in regard to that bill. We have been accustomed possibly to speak a little bit slightingly of that body, as if it were composed of elderly men, themselves in receipt of a pension. On the other hand there have been those who saw in the Senate the champion and the safeguard of provincial rights. I think there is another aspect from which we ought to view this matter, and that is that to no small extent the Senate is the champion and safeguard of what are commonly called the big interests.

Mr. GARLAND (Bow River): As soon as the Liberal party gets through reforming the Senate it will be all right.

Miss MACPHAIL: For the Liberal party.

Mr. WOODSWORTH: A few weeks ago, in a little labour paper published in Toronto, Canada Forward, I find this statement:

> In the Senate fifty members of that body control and direct the economic life of Canada. That is to say that fifty senators are directors of 334 commercial and financial institutions.

I wrote to the editor of that paper asking him on what data he based his statement, and he was good enough to send me a list of the companies in which some of the senators were interested. The editor is Mr. James McA. Conner, of Toronto. It is possible that there may be some inaccuracies in this list. It is quite true that it is not complete, as one can readily recognize that there are other companies in which these senators are interested that are not listed here, but I would like to run over a few of

these companies briefly, in order that the class nature of the Senate may be clearly seen. I take them almost at random. I find the name of Senator C. B. Beaubien.

Mr. BEAUBIEN: Not I.

Mr. WOODSWORTH: No.

Mr. COOTE: Not yet, but soon.

Mr. WOODSWORTH: I notice that he is interested in the following companies:

The Atlantic Sugar Refineries Limited.
The Frontenac Breweries.
The Mount Royal Hotel Company.
The North Railway Company.
Beaubien Limited.
The Ames Holden Limited.
The British Empire Steel Corporation.
The Dominion Steel Corporation, Limited.
Dominion Iron and Steel Company Limited.
Nova Scotia Steel and Coal Co. Limited.
Eastern Car Company Limited.
Acadia Company Limited.
Dominion Coal Company.
Nova Scotia Land Company.
Sydney Lumber Company Limited.
James Pender and Company Limited.
Halifax Shipyards Limited.
Cumberland Railway and Coal Company.
Sydney and Louisburg Railway.
Canadian Car and Foundries Limited.
Canadian Steel Foundries Limited.
Montreal Steel Works Limited.
Pratt and Letchworth Company Limited.

Mr. GARLAND (Bow River): Does he happen to be a farmer as well as director of these companies?

An hon. MEMBER: Is that all one man?

Mr. WOODSWORTH: Yes, it is all one man.

Sir EUGENE FISET: What about the Levis Laundry?

Mr. WOODSWORTH: The Levis Laundry has been suggested. I am not sure of that. I said the list was quite incomplete.

I pass on now to Senator Casgrain, and I find he is a director of the following companies:

Canada Steamship Lines Ltd.
Northern Navigation Co. Ltd.
Tidewater Shipbuilders Ltd.
Davie Shipbuilding and Repairing Co. Ltd.
Great Lakes Transportation Co.
Midland Shipbuilding Co.
George Hall Coal Co.
Richelieu Ontario Navigation Co.
Inland Lines Ltd.
Niagara Navigation Co.
St. Lawrence River Steamboat Co. Ltd.
Thousand Island Steamboat Co. Ltd.
Merchants Montreal Lines Ltd.
Canada Cement Co. Ltd.
Montreal Cottons.
Montreal Life Insurance Co.

Reliance Life Assurance Co.
British Empire Steel Corporation Ltd.
Dominion Steel Co. Ltd.
Dominion Iron and Steel Co. Ltd.
Dominion Coal Co. Ltd.
Nova Scotia Steel and Coal Co. Ltd.
Eastern Car Co. Ltd.
Dominion Shipping Co. Ltd.
Acadia Coal Co. Ltd.
Cumberland Railway and Coal Co.
Halifax Shipyards Co.
Nova Scotia Land Co.
Sydney Lumber Co. Ltd.
Sydney and Louisburg Railway Co.
James Pender and Co. Ltd.
Montreal Tramways Co.
United Securities Ltd.
Montreal Life Insurance Co.
Montreal Herald.
Le Canada.

It is perhaps rather wearisome to hon. members to listen to my reading of all these names.

Mr. GARLAND (Bow River): Read some more. They are fine.

Mr. WOODSWORTH: I shall be glad to read a few more. I think that perhaps only in this way can we form any idea as to the interlocking directorates which we have in this country, and as to how far even one individual can control a vast range of industrial, commercial and financial enterprise. I come now to Senator N. Curry, and I find he is a director of the following companies:

Cuban Canadian Sugar Company.
Montreal Life Insurance Company.
Hattie Gold Mines Limited.
Rhodes Curry Company Limited.
Canadian Car and Foundries Company Limited.
Canadian Steel Foundries Company Limited.
Montreal Steel Works Limited.
Pratt and Letchworth Company.
Canada Land Company.
Bank of Nova Scotia.
Canada Light and Power Company.
Beatty Gold Mines Limited.

And to use the words of the official description, if I may call it such, that is given us in the Canadian Parliamentary Guide of 1926, he "is president of twelve companies and director of thirty." Let me complete the Guide's account of the well-rounded life of a Senator. At page 78, I find the following.

Altogether is president of twelve companies and director of thirty. A large contributor to educational, religious and charitable institutions, including $100,000 to Acadia University; $25,000 to McGill University; $5,000 to Dalhousie University; and so forth. Recreations: yachting, motoring, shooting, fishing, curling. A Baptist. A Conservative. Summoned to the Senate November 20, 1912. Clubs: Marshlands, Amherst, N.S., Rideau and Country Clubs, Ottawa; Mount Royal, St. James', Forest and

Stream, Montreal. Business address, Transportation Building, Montreal; city residence, 581 Sherbrooke street west, Montreal, country residence, Tidnish, N.S. Winter house, Paget, Bermuda.

Miss MACPHAIL: Is my hon. friend suggesting that a captain of industry such as this man whom he has last quoted effected educational policies by giving large contributions to universities?

Mr. WOODSWORTH: No, I am making no suggestions; I am only stating facts. There are one or two others that I might give. I am not reflecting on these hon. gentlemen in any way whatsoever, but I am suggesting that we have here a state of affairs which ought to be known to the public generally throughout Canada; and whereas in this chamber we hear a great deal of criticism of the class groups—because a few farmers can get together it is said that they are indulging in a very reprehensible practice—and because a few labour people get together it is suggested that they are altogether a class group —I would suggest that it is quite obvious that these gentlemen who are sitting in the Senate are also very distinctly a class group, and that ought to be clearly recognized.

I will speak of one of the latest additions to the Senate, a gentleman who is highly honoured, I am sure, by the majority of the members of this House, Mr. W. L. McDougald. I notice he is a director in a number of corporations, as follows:

Hollinger Gold Mine Co. Ltd.
Ogdensburg Coal and Towing Co. Ltd.
Sterling Bond Co.
Canada Steamship Lines Ltd.
Tidewater Shipbuilders Ltd.
Davie Shipbuilding and Repairing Co. Ltd.
Great Lakes Transportation Co.
Midland Shipbuilding Co.
George Hall Coal Co.
Richelieu and Ontario Navigation Co.
Inland Lines Ltd.
Niagara Navigation Co.
Thousand Island Steamboat Co.
Merchants Montreal Line.
Century Coal and Coke Co. Ltd.
The Coal Co. Ltd.
St. Lawrence Realty Co.
Superior Sales Co. Ltd.
Labrador Pulp and Paper Co.

I have page after page of these, Mr. Speaker. but perhaps one or two more will be sufficient. I have selected them, frankly, just as I happened to see the longer lists of companies underneath their names, but I may say that these cases are by no means exceptional.

Some hon. MEMBERS: Read them all.

Mr. WOODSWORTH: Here is Senator L. C. Webster. He is interested, a director, and no doubt working hard in all these various lines of industry:

Sun Life Assurance Co. of Canada.
Dominion Manufacturers' Ltd.
Travelers' Life Assurance Co.
St. Lawrence Sugar Refineries.
Hudson Bay Knitting Co.
Goodwins Ltd.
Montreal Tramway Co.
Webster Steamship Co.
Canadian Import Co.
Quebec Power Co.
Quebec Railway Light Heat & Power Co.
Dorchester Electric Co.
Quebec, Montmorency & Charlevoix Railway.
Imperial Trust Co.
St. Lawrence Stevedoring Co. Ltd.
Holt Renfrew Co. Ltd.
Canadian Salvage Association.
Canadian Fur Auction Sales Co. Ltd.
Quebec Apartment House Co.
Montreal Cottons.
Canadian Car & Foundry Co. Ltd.
Montreal Steel Works Ltd.
Canadian Steel Foundries Ltd.
Pratt & Letchworth Co. Ltd.
Dryden Paper Co. Ltd.
United Securities Ltd.
British Empire Steel Corporation.
Dominion Steel Co.
Dominion Iron & Steel Co.
Dominion Coal Co.
Nova Scotia Steel & Coal Co.
Eastern Car Co. Ltd.
Dominion Shipping Co.
Acadia Coal Co. Ltd.
Cumberland Railway & Coal Co. Ltd.
Halifax Shipyards Co.
Sydney & Louisburg Railway Co.
Nova Scotia Land Co.
Wassis Steamboat Co.
Sydney Lumber Co.
James Pender & Co. Ltd.

I will give one other. Here is Senator R. S. White. He is a director in the following companies:

Gazette Printing Co.
United Financial Corporation.
Montreal Trust Co.
The Steel Co. of Canada.
The Hamilton Steel & Iron Co.
The Montreal Rolling Mills Ltd.
Canadian Screw Co. Ltd.
Dominion Wire Mfg. Co. Ltd.
Canadian Bolt & Nut Co. Ltd.
Western Wire & Nail Co. Ltd.
Guarantee Co. of North America.
Canada Steamship Lines Ltd.
Northern Navigation Co. Ltd.
Tidewater Shipbuilders Ltd.
Davie Shipbuilding & Repairing Co Ltd.
Great Lakes Transportation Co.
Midland Shipbuilding Co.
George Hall Coal Co.
Richelieu & Ontario Navigation Co.
Inland Lines Ltd.
Niagara Navigation Co.
Mount Royal Hotel Co.

My correspondent makes the following comments and summarizes this information as follows:

There are 27 lawyers in the Senate, of whom 12 are Conservatives and 15 Liberal. Some 6 Conservative lawyer senators are directors in 52 financial and commercial institutions, while 6 Liberal lawyer senators are directors on 36 commercial and financial institutions, making a total of 12 lawyers in the Senate who are directors in 88 different concerns. There are 11 journalists, editors and publishers, 6 of whom are directors in 34 commercial and financial institutions. There are 11 manufacturers and capitalists who are directors in 131 commercial and financial institutions. There are 8 doctors who are directors in 22 commercial and financial institutions.

The House rather encouraged me to go on, Mr. Speaker, and read these long lists, and I did so even though it might somewhat interfere with the argument I was trying to present in as concise a form as possible. But in view of the character of the interests of the members of the Senate I think I am quite warranted in the statement which I made a few minutes ago, that it is intolerable that an irresponsible body such as this, so largely representing big interests, should be able to nullify the actions of the elected representatives of the people.

Now my resolution is as follows:

That, in the opinion of this House, in view of: (a) the constitutional developments of the last sixty years—

I think I have shown some of these main lines of development, how extensive they have been, and how much they demand some corresponding changes in our constitutional procedure, and generally in our legislation:

—(b) the dissatisfaction of certain provinces—

Here again I think it will be manifest to all that it is the wiser course to recognize the underlying difficulties that may prevent confederation from attaining all that it ought to attain, rather than simply and blindly to worship what was done sixty years ago, and refuse to be guided by the spirit of those who made confederation possible. And in view of:

—(c) the changed conditions in industry, commerce and finance not contemplated at the time of confederation, and (d) the action of the Senate in preventing the enactment of popular legislation—

I ask that there shall be appointed a special committee to consider what amendments might be made in the British North America Act which, while conserving the principles of confederation, would enable us more adequately to cope with the complicated problems which now confront Canada.

[Mr. Woodsworth.]

I think that request is a very moderate one indeed. All I am asking for is a parliamentary committee to consider this question. There will be, I understand, this summer, a conference of the Dominion and provincial representatives. This conference has a number of things to discuss, among which is this very question of a minimum wage with regard to which I was reading a report to-day. This conference has been definitely promised, and I would suggest that the time is opportune for this whole question to go before such a conference. But before this conference meets, it would seem to be a reasonable thing that we should have some indication as to what changes this House thought might be advisable. What do we want anyway? It would be very easy for me personally to make suggestions as to certain changes that I think ought to be made. I think some of these changes might be inferred from my treatment of the subject, but I would much prefer to leave these definte changes to be considered in a committee, where a great many other members would be able to contribute other suggestions of possibly even greater value.

I would call the attention of the House to the fact that in this resolution I have provided an ample safeguarding clause; that is, "while conserving the principles of confederation," I recognize very clearly that there are certain minority rights which much be maintained. There is no desire on my part to take away any of those rights. In any modification of the British North America Act I think there would need to be incorporated a series of clauses equivelant to a sort of bill of rights safeguarding the rights of minorities, whether of language, religion, or civil status. The proposed resolution does not seek to trench on those rights at all. But on the other hand, I urge that we ought to have such modifications in the British North America Act as will enable us to meet the pressing and complicated problems which now confront us.

I am not here to make any impassioned appeal to hon. members from the various sections of Canada. I know that in the past some of the French Canadian members have been rather apprehensive of any change in the British North America Act. I know that certain sections of the French Canadian press take the ground that any alteration in the British North America Act, however slight, might imperil French Canadian rights, and that it is much safer to trust to the sense of justice of Englishmen in Great Britain than to the sense of justice of English-speaking

Canadians. I think that sentiment is unworthy of any true Canadian. We cannot have it both going and coming. All of us are coming to recognize more and more the need of a greater flexibility in our constitution, and the opportunity to control our own destinies. If we wish to attain that we must be willing to take certain risks in carrying out the details of any modifications we may make in our constitution. But I think the risks will not be very grave. We would incorporate into the very document by which the modifications were made—modifications, for example, allowing either for the abolition or the reform or, if you like, the drawing of the teeth of the Senate—I do not say of the senators—

An hon. MEMBER: There are none to draw.

Mr. WOODSWORTH: I do not know about that. I say that in any modifications along that line the very document by which the modifications were made would contain these clauses which would adequately guarantee the rights of all minorities and in other ways conserve the fundamental principles of confederation.

I ask, Mr. Speaker, that to-day, the government accede to my request. I am glad the Prime Minister is in his place. I do not think it is asking too much that in a preliminary way we discuss these things in the free and easy atmosphere of a committee. No harm could be done by doing so. Certain suggestions could be made and plans evolved, and when the conference of provincial premiers meets in the near future there would be something to discuss in the way of a definite recommendation.

Hon. ERNEST LAPOINTE (Minister of Justice): Mr. Speaker, the subject of this resolution is indeed very important, and my hon. friend from Winnipeg (Mr. Woodsworth) has dealt with it in his usual able and clear way. I am pleased indeed that he took the trouble to say that in any changes which he would like to see made in the British North America Act certain rights should be safeguarded, and I know that he is perfectly sincere in this.

The resolution is to the effect that a special select committee of this House should be appointed for the purpose of considering amendments which ought to be made to the British North America Act. This conclusion is based on certain premises, namely, the developments of the last sixty years, the dissatisfaction of certain provinces, the changed conditions in industry, commerce and finance not contemplated at the time of confederation, and the action of the Senate in preventing the enactment of certain popular legislation. For the purpose of my argument I do not think it is necessary for me to dwell upon those premises. But as far as the question of dissatisfaction is concerned, I think that after sixty years as a Dominion we may safely say that the work which the fathers of confederation accomplished, while it may not have been perfect, was certainly a great work, that the constitution then framed has worked successfully, and that Canada has been developing along lines for which we ought to be profoundly grateful.

I do not say that some changes might not be desirable, that some improvements might not be made, but I must confess I do not agree with my hon. friend that the way to reach the desirable end he has in view would be for this House, or a committee of this House, to deal with the matter in the absence of those who were parties to the pact of confederation. It is true, Mr. Speaker, as my hon. friend has said, that we have not the right to amend our own constitution as has South Africa and Australia—subject in the latter case to certain restrictions; that is, any amendment must be approved by the states or by popular referendum—and some of the other dominions, and he asked, "Why should we not have the same powers?" But the condition existing in Canada is our own making, and this we must always remember in dealing with the question. It is not at all something that places Canada in a position of inferiority, because after all it was the will of the people of Canada that it should have been so in the past, and it will continue thus so long as the Canadian people will it. When the people desire a change the change will come about.

Mr. IRVINE: How?

Mr. LAPOINTE: It will come about by agreement on the part of those who agreed to confederation under certain conditions in 1867. In the words of that great statesman, who had more to do with the achievement of confederation than anybody else, Sir John Macdonald, Canadian confederation bears on its face the marks of a compromise. The country at that time was almost on the verge of civil strife, and during the two years that preceded confederation four different governments succeeded one another at the head of Canada's affairs. It was thought by men of the various provinces and by members of different political parties that the only way to secure peace in North America among the British possessions was through the means which was ultimately adopted, of a confederation of the prov-

inces. This confederation was achieved by the colonies, as they were in fact at the time, getting together and reaching an agreement. The colonies, which were self-governing, had each powers of its own, and they agreed to relinquish some of those powers to a central authority. They kept under their own control those matters which were rather of a domestic nature, while others, more general in their scope, they relegated to a central government. Some of these matters they relinquished subject to specific conditions, and without this understanding it would have been impossible to reach the agreement which made for confederation. The Imperial government simply gave effect to the will of the provinces of Canada in enacting the British North America Act, and confederation has always been considered an agreement. Some call it a pact, others, a treaty; and if it is—nobody can dispute that it is—then I submit, what has been the contention of every writer and public man in Canada in the past, that this agreement or pact or treaty, whatever you care to call it, cannot be changed or modified without the consent of the parties to the agreement, or of those who come after them.

Mr. WOODSWORTH: Do I understand the Minister of Justice to suggest that we can make no suggested changes?

Mr. LAPOINTE: No, I do not suggest that. It is because we can that a body such as the one referred to by my hon. friend, an interprovincial conference, is going to be held for the purpose of getting together all those who to-day represent the original parties to the pact of confederation. It is for such a body to consider changes or amendments to be made, but I do not think that a committee of this House, any more than a committee of the legislature of Quebec or Ontario, should solemnly declare that the British North America Act ought to be amended in one particular or another. I do not think that would conduce to unity in the matter.

Mr. GARLAND (Bow River): May I observe that the very thing suggested by my hon. friend (Mr. Woodsworth) preceded confederation itself. The legislative assembly of Nova Scotia passed a resolution, just as this body could pass a resolution, recommending certain things. This House could pass a resolution submitting to the conference of provinces to be held such alterations as it might deem desirable. I see absolutely nothing against a committee of this House considering a resolution and making recommendations. I agree with the minister that the House has no power in the matter, but I would ask him whether, in his opinion, it is not possible to act in the way suggested by the hon. member for Winnipeg North Centre.

Mr. LAPOINTE: I do not think it is desirable. It is always possible for a committee of the House to consider questions which are beyond its province, but I say it would not lead to any desirable end to do so.

Mr. GARLAND (Bow River): It did before.

Mr. LAPOINTE: I do not think so.

Mr. GARLAND (Bow River): In the case of confederation.

Mr. LAPOINTE: Contrary proposals were brought forward at that time. I think my hon. friend made a mistake when he said, in reference to certain changes which he had in mind, that he would not like to mention them in this House but would rather wait until the committee was formed for the purpose. Why should not my hon. friend inform the House of the changes he desires to have made? Concrete changes might, in my opinion, be suggested, but they must be considered and studied by a body representing all the parties to confederation.

Mr. GARLAND (Bow River): Changes might be suggested.

Mr. LAPOINTE: It is a question of procedure, but I do not believe that the procedure suggested by my hon. friend is the one to be followed.

Mr. WOODSWORTH: Suppose I had suggested that we should pass a resolution declaring our right to change the written constitution: would the Minister of Justice say that we should be competent to do so?

Mr. LAPOINTE: I should certainly say that the proposal would have to be submitted to an interprovincial conference, as I said two years ago.

Mr. WOODSWORTH: But would not the minister say that we had a right to discuss such a proposal in this House before it was submitted to the conference?

Mr. LAPOINTE: So far as that goes, we discussed it two years ago and neither my hon. friend nor anybody else was committed for trial for having done so. I really believe, however, that it is not for a committee of this House to discuss the matter.

The suggestion now before us is not new. Two years ago I read an article by Sir Clifford Sifton, and I even had a conversation with him on the question. He suggested that we should have the right to amend our own constitution, but he agreed that the provinces had rights in the matter. His suggestion was that there should be a national convention comprising members of parliament, members of the legislatures of the various provinces, and important citizens elected by various classes of the community. Other suggestions were made, one to the effect that another form of committee or convention representative of various parts of Canada should be called together for the purpose. In my opinion, however, these suggestions failed in the fact that they did not take into consideration the parties to the pact as such: the provinces must be represented as provinces to the pact of confederation. As I said in this House in another debate, the provinces after all are not the children of the Dominion parliament; rather, parliament is the creation of the provinces. They existed before this parliament existed, and the British North America Act is just as much the constitution and charter of the provinces as it is the charter of this Dominion government and this Dominion parliament.

Mr. HEAPS: The statement of the Minister of Justice leaves just a doubt in my mind. Supposing the conference of the provinces is held during the coming summer, will all the nine provinces now in confederation take part on an equal basis?

Mr. LAPOINTE: Most assuredly. Let me repeat that the British North America Act is just as much the charter of the provinces as it is our charter; in all matters which are assigned to the provinces as being under their control and jurisdiction they are just as supreme as the parliament of Canada is supreme with regard to matters declared to be within the jurisdiction of the Dominion government. The provinces are self-governing within their sphere; they are free and independent legislatures just as much as this parliament is independent with its own limits, and you cannot change a charter which is common to them as well as to us by consideration in a committee of this House. The only way it can be done is by agreement between the various parties to that charter.

Mr. GARLAND (Bow River): In regard to the final act.

Mr. LAPOINTE: And even in the deliberations.

Mr. GARLAND (Bow River): No, no.

Mr. LAPOINTE: My friend does not agree with me. Two years ago we declined to sign a treaty because we had not been a party to the deliberations which preceded it. I say that those who are interested in this matter have the right to be there when it is discussed by those who desire to alter it.

Mr. KAISER: Have we not already made amendments to the British North America Act?

Mr. LAPOINTE: In small matters. There was the question of a change in the subsidies granted to the provinces, for instance.

Mr. IRVINE: Is it the intention of the government to call such a conference in the near future?

Mr. LAPOINTE: Yes. An amount has been placed in the estimates for that purpose. That conference will take place; it is the intention of the government to call the conference during the present year, at which conference will be discussed not only subjects such as are mentioned in the resolution now before us, but various other matters as well. These will be taken up by the provinces and by the federal government.

Mr. LADNER: I would like to ask a question with respect to the minister's statement regarding the binding effect of the British North America Act as between the provinces and the federal government. How would he relate such a policy to the carrying out of the provisions of the Imperial conference which, if made effective, must substantially affect the British North America Act?

Mr. LAPOINTE: Not at all; that is where my hon. friend is making a mistake. The British North America Act is not at all changed, modified or altered as a result of the report of the Imperial conference.

Mr. LADNER: But if we make the report of the Imperial conference effective as a constitutional factor, how can that be done without affecting the British North America Act?

Mr. LAPOINTE: My friend must remember that Canada is a confederation. When the report of the Imperial conference says that Canada is an autonomous country and Australia is an autonomous country, it means Australia with the various states which compose that country, and it means Canada with the various provinces which compose Canada. As I said some time ago in the course of this debate, the provinces are just as free and autonomous in their own sphere as is this parliament in its sphere. This has not been

altered; it can be altered only when the people of Canada desire that that be done, and this desire will have to be expressed not only by this parliament but by the provinces as well, who are interested in the matter.

Mr. ADSHEAD: I presume that at this conference the Dominion government will be represented?

Mr. LAPOINTE: Assuredly.

Mr. ADSHEAD: How will you be able to express the views of this parliament unless the matter is considered here?

Mr. LAPOINTE: Any change which may be agreed upon at such a conference must be accepted by the parliament of Canada, of course.

Hon. HUGH GUTHRIE (Leader of the Opposition): I would like to offer a few remarks, Mr. Speaker, in regard to the motion of the hon. member for Winnipeg North Centre (Mr. Woodsworth). He has not introduced a subject which is by any means a new question in this House; periodically during the last twenty-five years at least this question has been before parliament, but I can commend my hon. friend for his diligence and for his researches in regard to the matter. I do not think, however, that he has offered any very satisfactory solution of any difficulties which exist—if difficulties do exist, which I do not admit—in regard to what we look upon as the constitutional charter of the Dominion of Canada. I am inclined to think that taking it all in all, during the last sixty years we have gone on very satisfactorily, and I do not know that any considerable body of public opinion in this country is much concerned at present with any difficulties in regard to the constitution of our country. It may be that here and there throughout the length and breadth of Canada an individual or a few individuals may be found who are not satisfied with every word and every letter of the British North America Act, but in such a matter it is a hard thing to please everybody. I do state, however, that there is no considerable body of public opinion in Canada to-day which is dissatisfied with the terms of the constitutional charter of this country; I hear of no public demand for such changes and I see no articles in our newspapers or in our magazines demanding them. I must confess, however, that almost year after year in this chamber some one offers the suggestion that in some way or other we in this country are suffering from what I might describe as constitutional outrages, that we are carrying some unnecessary burden or that we have some pressing grievances which should be remedied. For my part I am unable to discover any of these grievances or any of these difficulties which the hon. member for Winnipeg North Centre seems to assume in the motion now before us. So in the first place I cannot see that there is any demand for serious constitutional changes in Canada to-day, and in the second place if there were such a demand I submit to the House that the only procedure to be taken is that outlined by my hon. friend the Minister of Justice (Mr. Lapointe), through the instrumentality of a provincial conference.

One need not argue the question of our right to change our constitution; we know we have no such right. We have been permitted to change the constitution from time to time, but only in regard to matters of procedure and not matters of principle. As the Minister of Justice stated a moment ago, we have been allowed to amend our act in regard to the increase of subsidies, but only because that was viewed merely as a matter of procedure or detail. We have also been allowed to appoint a Deputy Speaker in this House, although by the terms of the British North America Act we are only entitled to appoint a Speaker. That likewise was considered purely a matter of procedure. Should we in this parliament desire at any time to change important parts of the constitution or any of the specific conditions contained therein, I submit that we are absolutely powerless to do so. We can pass an address of the House of Commons and Senate of Canada, present that memorial in Great Britain and ask for amendments. In certain instances amendments have been made in response to our address, but they have not in themselves been constitutional changes. On one or two occasions we prolonged the life of a parliament in that way without consulting the various provinces of Canada; but the moment we seek to go beyond the plain meaning of the constitution in important matters or in specific conditions the answer will come back from Great Britain, in the future just as it has in the past: No; the provinces who originally agreed upon this constitution must likewise agree upon any changes.

Mr. IRVINE: I understood the Minister of Justice to argue that it was the people of Canada who made their own constitution and the natural inference therefrom was that we could make a change. Does the hon. gentleman agree with that?

Mr. GUTHRIE: I agree that the people of Canada did make their own constitution originally. It was made simply by means

of certain resolutions to which the representatives of all the then provinces agreed. Those resolutions were placed in definite form; they were made into a form of agreement. It is not correct to say that the British North America Act is the agreement. It is not the agreement, it is the act of the Imperial parliament which gave force to the agreement. The parties who made the agreement are the only parties to change the agreement; and if changes are desirable—and at the present moment I do not think there is any strong demand for changes—the opportunity will be offered in the near future when the meeting of the representatives of all the provinces of this Dominion takes place. Now how can the matter be advanced by appointing a committee of this House to consider questions of constitutional change? We have no power to act, and it would be purely an academic discussion on our part. We might spend a lot of time in idle consideration of a question as to which we have no power to do more than merely to discuss it. Why not leave the matter as it is now until the representatives of the provinces meet?

I am not one of those who consider that any very grave constitutional changes will be attempted in this country in the near future. Nor can I say that I wholly agree with the opinion expressed by my hon. friend the Minister of Justice in regard to the effect of the report of the recent Imperial conference upon the constitution of this country. It is true he became very emphatic in regard to his position but his position is merely the ipse dixit of a minister of justice in this House. I can tell him there are other opinions besides his in regard to this matter, and very substantial legal opinions, that there has been a serious modification of our constitutional situation if the report of the Imperial conference means anything. If it is a nullity then I grant there has been no change. But if the statements and declarations in that report are intended to be operative there certainly has been a change: the power of disallowance has gone. If it is an inoperative statement of course there has been no change; but it is either an operative declaration or an inoperative one. My hon. friend the Minister of Justice can take it which ever way he likes.

Mr. LAPOINTE: I should be like my hon. friend if I were to do that.

Mr. GUTHRIE: If the declaration was merely inoperative and not to be acted upon, then I agree there is no constitutional change. We have the declaration on the part of high authority that henceforth there shall be no power of disallowance, and if so then there is a constitutional change in the British North America Act in that that section has been repealed. I do not propose at this point to discuss that question further. There will be another opportunity during the session, I apprehend, to discuss fully the whole question. But at this moment, and in regard to the suggestion of my hon. friend, (Mr. Woodsworth) I am quite in accord with the Minister of Justice; I do not think he is going to advance his cause one iota by the appointment of a committee of this House who can only spend their time in academic discussion. A conference is to be held in the near future of all the provinces of this Dominion who see fit to attend—we cannot compel their attendance—and if any one desires constitutional changes, let their request be made known at that conference and let the discussion take place there; and if the duly accredited representatives of the various provinces will agree upon such changes, and their agreement is ratified by this parliament, I have not a moment's hesitation in saying that the home government will see to it that their agreement, whatever it may be, is carried out.

Mr. WOODSWORTH: Will the hon. gentleman not agree that it is quite competent for us at least to discuss what we want, what changes we think are desirable?

Mr. GUTHRIE: Oh, I think we have power to discuss the matter, but that discussion would be largely a waste of time. As I said before it would be purely academic. There are dozens of questions which we discuss in this House which do not get us any further. Much time is taken up—perhaps I should say in regard to former sessions that much time has been actually wasted—in discussions which cannot advance the matters in question one bit. We cannot reach any conclusion, we cannot take any action. But the conference which is to sit in the near future can do that; then why not allow the question to go to that conference? If my hon. friend from Winnipeg North Centre has anything to urge, the time and the occasion will be when that tribunal convenes—the only tribunal which can take action in the matter. Why we should take up the time of the House in such a discussion as this I cannot see; and I for one, as I said before, do not think that in any part of Canada there is any very serious or general demand for a revision of the constitution of this country.

Mr. HENRI BOURASSA (Labelle): I find myself somewhat in the position of agreeing partly with the Minister of Justice, partly with the leader of the opposition, and

partly with the hon. member for Winnipeg North Centre (Mr. Woodsworth), so that I am able to act, so to speak, as a go-between in this case.

Mr. GUTHRIE: A mediator.

Mr. BOURASSA: First of all it seems to me that we should distinguish clearly between the right and the power to amend our constitution. The leader of the opposition is quite right when he says that if we take the constitution as it was framed in 1867, enacted by the British parliament, and interpreted ever since, we have not the legal power; but while he was making his able and interesting argument I was thinking of an opinion expressed by an authority surely as high as that of any member of this House on these matters—I was thinking of Lord Haldane's opinion, as expressed some thirty years ago. Speaking of the development of constitutional power and usages in the self-governing dominions he stated—I think I remember his words almost verbatim; they were published in some English legal review—that the time was soon coming if it had not come—and I add this much, that I think it has come—when the British parliament could act only as an interpreter of the will of the various selfgoverning dominions—

Mr. LAPOINTE: Hear, hear.

Mr. BOURASSA: The time has come when it is acknowledged that these various self-governing dominions are just as completely masters in their houses as the people of Great Britain are in theirs; and although they may have chosen—they had to choose then—the medium of the British parliament to put into legal form the enactment of their constitution as framed by their own people, the time has come when no government in England would hesitate a moment in giving entire effect to the will of these various dominions. If this is true—and I think it is true, and I think we must make it more true from day to day if we want to show ourselves worthy scions, worthy descendants of the British nation—and if we take such pride in the principles of the government that they have in England, surely we must think of the day when we will outgrow the period of infancy and will consider that we are just as capable of dealing with all our questions, national or international, as the people of the United Kingdom are. Therefore in that respect we must look forward to the day when, I will not say in this parliament, but when in Canada our constitution will be dealt with by power arising from the will of the people of Canada, without the interference of the British parliament. It must come to that. The Minister of Justice has pointed out the outgrowth of the spirit and practice of self-government. The British parliament has followed that progressive course in acknowledging that the people of Australia should develop that principle, and that the people of South Africa should follow that example, and also that the Free State of Ireland should do likewise. Are we going to confess that, we, the pioneers in that march towards the goal of national liberty and equality, consider ourselves as being handicapped because our constitution was the first one enacted by the British parliament? Are we to remain in the shackles of that constitution, and not enter into the broad spirit of advancement in this regard, as it has developed in the other self-governing parts of the empire? Far from being time wasted, on the contrary, I think it is a move in the right direction, to assert on every possible occasion that we in Canada should advance in the direction of dealing with our own affairs.

The point on which I agree with the leader of the opposition and the Minister of Justice is that this parliament by itself has neither the right nor the power—and neither should it have it—to amend the constitution of Canada without the consent of the provinces. We stand in exactly the same position as the congress of the United States or the federal council of Switzerland, as the governing body of every federation; because the very fact that a confederacy exists, as differing from one united nation, means that it is a composite body in which various parts have more or less autonomous power, and in their sphere, as properly stated by the Minister of Justice, are just as sovereign to act as the federal body. For example, the Swiss cantons have more powers than our provinces in some respects and less in others. The states of the American union have more power than the provinces of Canada. For one thing, they have control of their criminal legislation, whereas in Canada the provinces have not. Does it mean that because there are limitations to the powers of parliament, this is not a body where we should discuss any amendment that ought or might be made to our constitution for the general benefit of Canada? During the argument of the leader of the opposition I was thinking of another opinion expressed by Lord Haldane, when acting as Lord High Chancellor. In delivering a judgment of the Privy Council in some case arising in connection with Australia, he made a comparison of the constitutions of South Africa, of Australia and of Canada, and dealt precisely

with the point as to whether or not the constitution of Canada was a contract, whether it stood as a contract, and whether it should be amended without the consent, of all the parties to the contract. If I remember right his opinion was this, that as between the constitution of South Africa, which is much more centralized than ours, and the constitution of Australia, which resembles more that of the United States than ours, the constitution of Canada stood about halfway, which can be easily explained by the circumstances under which it was framed. As everyone knows, it was in the last years of the great struggle between the southern states and the federal government. Sir John A. Macdonald was very much impressed with the circumstance; and I think in a speech made by him in the House in 1865, when explaining the resolutions passed in Quebec, he showed the importance of strengthening the central power, in order to prevent in the future any such tendency arising and developing as that which had brought the American union nearly to the point of ruin and secession. But nevertheless the union remained, and whether the constitution stands as a contract or not I will not pretend to express an opinion, when there are so many enlightened legal gentlemen in this House. But morally speaking there is no doubt confederation is the result of a contract. Therefore if we want to preserve the principle of confederation, as the hon. member from Winnipeg North Centre (Mr. Woodsworth) has said—and I know he is sincere in his statement—we must take means to ascertain the will of every one of the provinces which are the inheritors or the contractors of confederation. In that respect I agree entirely with the Minister of Justice, and also with the leader of the opposition. It would not be proper to attempt to amend our constitution upon each or any one of these points which affect directly or indirectly the rights of the provinces. On the other hand, in the sphere which is within the purview of this parliament, it must be remembered that it has been created for the general advantage of Canada. In many cases, when there were diverse views as between the jurisdiction of this parliament and the provinces, where there was a real conflict between the federal and the provincial legislatures, I think it has been held generally that anything done by the parliament of Canada for the general advantage of the country should prevail over provincial matters, matters dealt with by provincial legislatures for their own provinces.

Mr. GEARY: Not quite so far as that.

Mr. BOURASSA: Perhaps, but I think the hon. gentleman will excuse me if I do not express myself in legal language. What I mean is that in all those powers which are undoubtedly of federal jurisdiction, we should surely have the right and the power to suggest such amendments to the constitution of Canada as we think for the general advantage of Canada without being obliged to resort to interprovincial conferences. But as regards the Senate, this is a question which might be viewed from both angles. If you consider that body merely as one of the two chambers governing the people of Canada, then it is purely a federal matter; but if you concede that the Senate, as in the United States, was established primarily for the protection of the provinces and for the safeguarding of those minority rights which the hon. member for Winnipeg North Centre wants to preserve, then the moment you speak of a change in the composition of the Senate you raise the question of provincial rights, you raise a question upon which the provinces have the right to express their views.

I shall not dwell at length upon that question of the Senate. I rather differ from my hon. friend from Winnipeg North Centre (Mr. Woodsworth) when he says that he wants to pull some of the teeth of the Senate, though not of the senators. Judging by the long list he has given of the private interests with which many of the senators are concerned, I would rather say it is the teeth of the senators that ought to be pulled. In fact, many of the complaints that have been laid at the door of the Senate by the two parties alternately have not resulted from the constitutional composition of the Senate, but rather from the fact, which we have to admit, that all governments since confederation have made of the Senate a house of refuge for political friends or a sort of stock exchange for business men who pay large subscriptions to parties. At confederation, and it is indicated in the constitution itself, Sir John Macdonald, foreseeing the day when after a long period of enjoyment of power by one party it would be necessary for a new party coming in to command a majority of the Senate, provided for the addition of six senators to be appointed over and above the number fixed by the constitution, two from the maritimes, two from Quebec and two from Ontario. This was considered sufficient at the time, because it could not be conceived that any government would be so derelict in its duty as to fill up the Senate with its creatures and make it simply a party body. But unfortunately that has been the

case, and the reform of the Senate is to be looked for in a practical way rather than in amendments to our constitution. This government and all future governments to come, for it would be difficult to ask this government to have all the virtues all at once after so many vices have prevailed for so many years, should think a little more of the functioning of the Senate and of the respect it ought to command before the whole public of Canada, instead of using it simply to serve party interests or to reward men who subscribe money for election purposes.

Another aspect, it seems to me, has been overlooked this afternoon. In Canada we have a state of things which does not exist in Australia, in the Free State, or in the Union of South Africa. The parties to the contract of 1867, what were they? Upper and Lower Canada, New Brunswick and Nova Scotia. That was the confederation of those days; and the first thing they did—and to my mind it was a great mistake on the part of the fathers of confederation—was immediately to purchase the Northwest Territories, open them to colonization, and receive at the hands of the British parliament the power to govern those territories, and later on to grant them provincial charters. The result has been that we have created within the confederation of Canada a Canada different from the rest. I have been endeavouring for many years past to convince my friends in Quebec, and generally in eastern Canada, that confederation will never be a settled thing until we understand the people of the west, with all their defects, but also with their qualities. We must realize that the people of the west look upon us in the east as we in Canada looked for so many years upon the British parliament; I will not say as a foreign parliament, but as a political body escaping the influences of the people for whom it was legislating, passing laws and making a constitution, and imposing upon the people their policies in tariff, railway and all other matters. The result is, and it is useless to conceal it, that the people in the west do not feel at home in the confederation in the same degree that we do. Even we French-Canadians in the province of Quebec, in spite of all obstacles raised in our way since 1867, feel more at home in the confederation than a vast majority of the people inhabiting the prairie provinces.

Mr. COOTE: After the sentiments which the hon. gentleman has expressed, would he be willing that these new provinces which were formed by the old confederation should be given the same rights under the constitution as the older provinces have?

Mr. BOURASSA: Of course, in principle I am in favour of that, and always have been, provided that they respect the same engagements that have been taken by the other provinces. That has always been my view. I held it in this House when the charters of Alberta and Saskatchewan were granted twenty-two years ago. I held it in my own province, in writing and speaking upon many occasions, and I expressed the same view again in the last two elections, that the western provinces should be put on exactly the same footing in every matter as the eastern provinces, providing the western provinces will enter into the spirit of confederation and understand us as some of us are trying to understand them.

Mr. CAHAN: In what respect are they in a different position now?

Mr. BOURASSA: With respect, first, to their lands and natural resources; and that is a great thing. My hon. friend knows what the administration of the public domain means to the province of Quebec, the province of Ontario and the province of New Brunswick. All these things that have to do with the daily life of the people are in the hands of the government of these provinces, and as far as we are concerned we would never consent to see our colonization policy —badly managed as it is by our Tory government in Quebec—placed in the hands of this parliament.

Mr. CAHAN: The western provinces of their own option prefer to receive a cash subsidy.

Mr. BOURASSA: That is another point, and I thank my hon. friend for having suggested it, though it may lengthen my remarks for about five minutes. First of all, they were not consulted when the territories were organized, because there were no people there then. We passed the Northwest Territories Act when there was no population there. The federal parliament had to pass it and take its responsibility. The federal parliament laid down certain principles which it was bound to preserve; and later on, when population came in and the country grew, the time came to grant them provincial charters, and the federal parliament was placed in this position: It had to stand within the scope of the constitution and grant to these territories

provincial rights and provincial privileges equivalent to those exercised in the east. At the same time they were handicapped by engagements, moral or material, taken by this parliament in the exercise of its responsibility so long as those provinces had existed only as territories. So we have not the same state of things, and I think we have to acknowledge it in this parliament. We have to make of this confederacy, not a uniform body, but we have to harmonize the conditions as between eastern Canada and western Canada, as far as they are dependent upon this parliament, before we can expect any agreement to be arrived at by the representatives of these provinces and of the federal government in any such conference as is suggested. At the present time it is impossible for the representatives of the various provinces of Canada to discuss any matter affecting our constitution or the administration of our country because there is no unity, because the situation is not the same.

With regard to the means of consultation, I do not quite agree with the hon. Minister of Justice (Mr. Lapointe) that an inter-provincial conference is the only means by which we can have an agreement on these matters. I would not commit the constitution of this country to the care of twenty or twenty-five gentlemen, delegates of the various provincial governments. I would no more trust the establishment of an inter-provincial fascism than I would the setting up of any other autocratic power. Besides, they could only suggest, they could only do exactly what the mover of the resolution wants us to do—they could only agree upon certain modifications to be made in our constitution, and then report to this parliament and to the various provincial legislatures.

If this is the case, and I think the Minister of Justice agrees with me on that, why should parliament be deprived of making suggestions in the general interest of the country regarding certain parts of the constitution which concern only the Dominion as a whole? I think it would advance the work of the inter-provincial conference if a committee such as that suggested by the hon. member for Winnipeg North Centre were formed, not to take too large a scope, perhaps, but to suggest a few changes, and then have those suggestions submitted to the conference. Thus we would have at once an expression of opinion on the part of this parliament, upon the findings of a committee composed of representatives from various parts of Canada interpreting the views of their respective provinces, and also—because whether we resist it or not, sitting together in this parliament we are bound to correct our provincial and local views—also evincing a certain spirit of Canadian unity, which you cannot expect from provincial legislators. The Premier of Quebec will stand for the point of view of Quebec, the Premier of Ontario for the point of view of Ontario, and so on with the other premiers, while two or three federal representatives will have to deal with all those provincial representatives. It seems to me that the parliament of Canada being the supreme body—not supreme over the provinces, but supreme over the general interests of the Dominion—ought to take the lead in a move of this nature, first, to assert the right of the people of Canada to do with their constitution what the people of Great Britain do with theirs. That would be the main point, and it would be a further assertion of the principle laid down in London last summer. Secondly, we should make it possible for the various representatives of the provinces to discuss those views that had been expressed by such a committee, and pass upon them their own judgment, so that at a future session of this parliament we would be in a position to compare notes and find out the views of the federal parliament and of the various provinces upon such changes as might be suggested.

Mr. LAPOINTE: Am I right in understanding my friend to suggest that the committee should be restricted to matters which come exclusively under the federal parliament and over which the provinces have no jurisdiction?

Mr. BOURASSA: I think a clear distinction should be made in the committee. It seems to me that the duty of the representative of the government in that committee would be, the moment a question cropped up affecting provincial rights or jurisdiction, to point out to the committee the uselessness of wasting time on its discussion. For example, if the question of the Senate were raised, I think it would be the duty of that representative and of every member of this parliament possessed of the spirit of confederation to remind the committee that the Senate is not to be judged only according to the good or bad votes it gives on this or that measure, but according to the spirit of the institution, according to those principles of confederation which my friend wants to preserve. But of course, once a clear definition were made, the whole matter should be submitted to the inter-provincial conference. I think it would clarify the situation and enable both the representatives of the federal par-

liament and the representatives of the provincial legislatures to accomplish some work.

As to the argument made by the leader of the opposition (Mr. Guthrie) that there is no need for any change in our constitution, I cannot agree. There may not be a crying need for radical changes; but let us remember that having to live under a written constitution is in itself a great inconvenience. We have not the advantage that the people of Great Britain have of being able to reshape their constitution from time to time according to their needs. The constitution of Great Britain is in a constant process of evolution and reshaping, and therefore grows with the people; while we have outgrown many parts of our constitution. As regards our relations with the British government, it may be that we still have in this House and in the country men with the colonial spirit of a hundred years ago who consider that we should make no change in those relations. For example, with respect to the power of disallowance. Well, I would respectfully give those men the same advice that I have given to certain Catholic friends of mine—not to be more Catholic than the Pope; I would advise those men not to take a narrower and more English view of these things than that held by all the leading men of Great Britain. When public men in England hear colonials saying that we do not want to grow nationally, they look upon us as inferior beings and conclude that we have not the strength of will and the power of mind to live out our own national life as they have taught us to do on the other side of the ocean.

Mr. STEWART (Leeds): Does not the hon. gentleman think that in view of the fact of our two jurisdictions, provincial and federal, we will always require a written constitution to define their respective limits?

Mr. BOURASSA: Of course. Even if we were completely independent—as I think we will be, one of these days—we will have a written constitution, just as the Americans have. But the Americans have made their constitution grow with their national growth. Take the role of the Supreme Court of the United States with regard to the constitution and compare some of its decisions in Washington sixty years ago with those rendered to-day, for example, that famous decision which held that under the constitution a slave-owner was just as much master of the body of his slave as he was of his ox or his ass. I do not think the Supreme Court of the United States would render such a judgment to-day. Then take the various decisions handed down by that court after the conquest of Porto Rico and the annexation of the Philippines, and you will find how the court enlarged the scope of the American constitution in order to deal with the new problems that had arisen with the growth of the American nation. So long as we do not assert our right to deal with our own affairs in our own way; so long as we do not regard the Supreme Court of Canada as the ultimate tribunal to interpret the constitution of this country; so long as we do not consider this parliament the supreme authority in giving expression to the will of the Canadian people, just so long shall we be handicapped by that narrow colonial spirit which renders us inferior to the people of Great Britain.

With regard to the other point raised by the leader of the opposition concerning minority rights, I entirely agree with the Minister of Justice. Just as, speaking as a Canadian and a British citizen, I cannot stand the idea of colonial inferiority, neither can I, as a French Canadian and a Catholic, tolerate the idea that we need have recourse to a foreign power to protect us. Of course I admit that there might be some risk, but surely we French Canadians have proven in three hundred years that we are manly enough to face risks. I must say, speaking my own mind, that I am unable to agree altogether with my hon. friend from Winnipeg North Centre (Mr. Woodsworth) in the view that English speaking Canadians generally are as broadminded as Englishmen at home. Unfortunately they are not, and we have had many proofs to this effect. But I believe that the more responsibility the people of Canada at large exercise, English or French, Catholic or Protestant, the less they rely upon outside authority to correct their misdemeanours or to prevent them from doing foolish things, the more will their sense of responsibility increase and the more broadminded will they become. We are absolutely the masters of our constitution; there is no doubt of that. But so long as we do not exercise the power that is ours in that respect, it remains dormant and circumscribed. We must exercise it, and no one will be more glad to see us assert ourselves than the powers that be in England, because they have enough to do to look after their own affairs without being obliged to settle our small quarrels in Canada. They do not care to adjust matters between Catholic and Protestant, French or English in this country. It is not their business to do so and they do not want to have the responsibility. The English had to deal with the Irish for seven centuries and they have had enough of that sort of thing. The Irish made it quite evident that it was absurd for Englishmen to want to rule a foreign people from

the English point of view. It seems to me that both English speaking and French speaking Canadians, whether Catholic or Protestant, will settle their differences more satisfactorily when they confer solely among themselves, in absolute freedom.

As regards the federal pact, I have expressed the view, time and again in Quebec, and I repeat it on this occasion, that if that pact holds good, it holds good in Ottawa as well as in London. If it is broken in Ottawa, or Toronto, or anywhere else in Canada, the king will not send a regiment to this country to make the pact good in favour of French Canadians or of Catholics. It may be that some of the hon. gentlemen surrounding the leader of the opposition would be prepared to raise the banner of King William to save us Catholics from Protestant domination, but I do not quite expect that. I rather rely on the common sense of the vast majority of English speaking Protestant Canadians. I do not think it is the proper spirit to foster in this country, to make English speaking Canadians believe that if it were not for the maternal protection of Great Britain we could be wiped out. Do not let anybody remain under that delusion. We cannot be wiped out; and if the English speaking Canadians could wipe us out the vast majority of them would not do so. Of course, at election times, once in a while, a certain number of people are bound to talk that way—one flag, one language, and so forth. But when it comes to a matter of practice, every reasonable man knows that two and a half million French Canadians are not going to be turned into English speaking people. On the contrary, we are freely learning English because we want to communicate with the rest of Canada and we want to prove to them that we do not suffer from that incapacity referred to a short time ago, of not being intelligent enough to acquire a second language. Those English speaking Canadians who suggest that this opinion is held generally throughout Canada simply calumniate their own people.

The more we have to discuss between ourselves matters of the kind that are called burning questions, dangerous questions, the more we consider them together as between man and man, the more will there grow up in Canada a proper spirit of conciliation, and the more courage will evidence itself on both sides, however much prejudice there may be at times. And of course prejudices are bound to exist. The discussion may be heated at times, but finally difficulties will have to be adjusted as they were adjusted in 1867. Conciliation was the spirit of confederation. Cartier and Macdonald did not go to London to seek advice on how to deal with the school question or with the question of minority rights or anything else. They first secured George Brown and gagged him with a portfolio; they silenced him for a few years. He was the only man who raised any trouble in those days, for the good old Tory party was unanimous at that time for the protection of French Catholics. As I say, they gagged George Brown, and that was Cartier's masterpiece; because, as Macdonald said in some of his letters, "I cannot speak with the man." He therefore used Cartier as an intermediary; diplomatist as he was, he used a French-Canadian for the purpose. Thus it was that, after Brown was brought in, confederation was made possible.

What were the outstanding principles of confederation? In the first place, the whole of Canada in becoming a self-governing country was asserting its right to full fledged autonomy. As everybody knows, Sir John Macdonald wanted the Dominion to be called the Kingdom of Canada. We have evidence, not only in his letters but in his public utterances, that he wanted to entertain with foreign powers such relations as we are beginning to establish to-day. Everyone knows that he was absolutely opposed to any kind or form of contribution by the people of Canada to any war waged by England outside Canada. We have testimony to this effect all through his life, in all his actions. The second principle of confederation was that in every province of Canada, the minority, French or English, Protestant or Catholic, should enjoy exactly the same rights in matters of language and of schools. We have stood by the agreement on both points, and we are prepared to stand by it in complete amity with the other peoples of the Dominion. As Canadians, we are prepared to discuss the problems that confront us without the interference of a tribunal in London or of any body responsible to the electors of Yorkshire or of Midlothian. We are ready to settle our own affairs without reference to any such outside authority as to whether we should insert or omit a comma here or there in our constitution, or eliminate a sentence or half a sentence elsewhere.

It behooves us to assert—what was acknowledged unanimously this summer by representatives of all the self-governing countries of the empire—that Canada has the right and the power to deal with her own constitution just as freely as Great Britain can deal with hers. And inasmuch as ours is a written constitution, the result of a contract between two races, an agreement among

several provinces; inasmuch as there are new provinces which did not exist at the time of confederation, and new problems which did not then present themselves: in view of these circumstances it seems to me that the two processes, advocated respectively by my hon. friend from Winnipeg North Centre (Mr. Woodsworth) and by the Minister of Justice, instead of conflicting with each other, are rather complementary. I think my friends on the other side should acknowledge that anything done or said in this House cannot close the matter, and that the provinces must pronounce themselves as political bodies and political entities within the confederacy, just as the provinces have no right and no power to prevent this House from doing anything we desire to do in our federal affairs or from making such suggestions as we may think are for the benefit of Canada.

It seems to me that there would be no time lost, because our constitution cannot be amended as the English constitution is amended in fact from day to day. Once in a while we have to put it on the "métier", as we say in French, to see whether it has been outgrown, whether it should be added to or modified, and this should be done periodically. We should have a committee to look after the revision of the constitution let us say every ten years. Instead of waiting until there is discontent and until the various parts of the country begin to bicker, it would be a good thing to look after it from time to time. Therefore in that spirit and with those reservations, while agreeing entirely with the Minister of Justice in the main portion of his argument, it seems to me that the motion of the hon. member for Winnipeg North Centre could be accepted in that broad spirit, with the desire to accomplish something more comprehensive and more practical than a mere inter-provincial conference could bring about by itself, without having received first of all an indication of the opinion of this parliament.

Mr. C. H. CAHAN (St. Lawrence-St. George): Mr. Speaker, I did not intend to enter upon this discussion, but I think it discloses the fact that once you begin to make shreds and patches of the constitution, either of Great Britain in her relations to the dominions or of the dominions themselves in relation to their separate provinces or states, you at once open a large field for discussion in which we may reach no satisfactory conclusion, and are indeed incapable of doing so. The constitution of a country is on an entirely different basis from the ordinary statutes and enactments of parliament; a constitution is made not for the present but for the far-reaching future. It must necessarily change and be subject to modifications, but the matter of modification or change must be approached in an entirely different spirit from that in which we would consider the amendment of a mere statute dealing with commercial, corporation or criminal law.

I do not suffer, and I do not think members of this parliament or the people of this country suffer, from any inferiority complex; I believe the electors of this country are as intelligent, if not more intelligent, than are on the whole the electors of Great Britain and Ireland. I know something of Scotland and something of England; and in my opinion the majority of the electors of those countries are not more intelligent than are the average of the electors of our own country. I do not think the lawyers of Canada suffer from any inferiority complex; I meet the best lawyers of London from time to time as well as those of New York and Washington, and I have never felt that I could not safeguard the interests of my clients in dealing with them quite as satisfactorily as I can safeguard the interests of my clients in dealing with the lawyers of Toronto, Edmonton or Vancouver.

I do not think we suffer in Canada from the colonial spirit; if that spirit exists in this country I do not know where it exists. I do not find it in the eastern provinces or in Quebec, and I certainly do not find it in the west; so that any discussion of the colonial spirit seems to me entirely apart from the question. If the hon. member for Labelle (Mr. Bourassa) has really made up his mind that the independence of Canada is necessary to the welfare of the country as a whole and that it should be achieved within a short time, I can understand why he should openly advocate our independence as he has done this afternoon. Unfortunately, he does not conceive that the members of this House or the people of this country may advocate the continuance of their political relations to the British throne and to Great Britain and Ireland and the other great dominions, except that it be advocated by reason of an inferiority complex or through being permeated with a colonial spirit. I take an entirely different view. I look to Canada to develop and to become one of the great nations of the world. If I or you, Mr. Speaker, could return to this country fifty or sixty or one hundred years hence, we would see a progress and development in Canada in every department of national life which would surpass the highest anticipations of the people of to-day. It is bound to come, but I believe it will best be

achieved if we make no sudden break and have no sudden cleavage from the traditions under which we were born and bred, and which are an inspiration to the great body of our people both French and English. These traditions were not traditions of servility. They were never such in the province of Quebec even in the rural districts of that province, and are not such to-day; there is no spirit of servility there. Although the hon. member has had far more experience from his associations with the people of that province than I possess, yet I believe that though they have not a spirit of servility, and while they are not permeated with the colonial spirit, the great body of those people are willing and anxious to maintain those ancient and honourable liens which bind the people of Canada to the British throne, the United Kingdom of Great Britain and Ireland, and the other great dominions beyond the seas. I believe, Mr. Speaker, that they are not ready to disrupt and tear up the ties or liens of the constitutional fabric which binds us to the rest of the British Commonwealth to-day.

Mr. WOODSWORTH: May I ask the hon. gentleman if there is anything in the resolution which looks to the tearing up or disruption of any such ties?

Mr. CAHAN: I am discussing the address of the hon. member for Labelle for the moment, and if I have an opportunity—

Mr. BOURASSA: If my hon. friend will permit me, he knows that I did not suggest disruption, and there has never been any such idea. I simply wish to go back to the principle of confederation that was asserted by Sir John Macdonald: complete equality as between Canada and Great Britain, that is all.

Mr. CAHAN: I accept that statement from the hon. member for Labelle, but I thought that some phrases which he used or statements which he made went beyond that. It seems to me that the great object of the people in Canada to-day, both of the east and west and of the centre, should be to develop a unity of national sentiment, to develop, if you will, a common speech in the use of both languages; because I believe that a knowledge of the French language is absolutely necessary to a thorough knowledge and appreciation of the mentality and high character of the great body of people of the province in which I represent a constituency. We must achieve that spirit of national unity before we will be in a position to discuss in the future any dissolution of those ties which bind us to the other British dominions and to the British throne.

Now, in connection with that problem, any proposal for a revision of the British North America Act, as suggested, will, I think, create a considerable degree of suspicion. It will meet a very considerable degree of suspicion in the eastern provinces of Canada; it will meet possibly, among the thoughtful men of the west, the same degree of suspicion and reluctance to enter upon any new constitutional arrangement of a radical character or quality. We must first apply ourselves to achieving that unity, and even those who look forward to the independence of Canada must for years devote their intellectual energies to preparing Canada for that breach if inevitably it is to come. We must —and I intend to discuss this under another resolution, namely, the matter of appeals to the Privy Council—we must perfect the machinery of our own courts of justice. We must give to our own Supreme court a higher standing, and create greater confidence in its decisions on the part of the people of this country before we can abrogate the right of appeal to the Privy Council. I think I have read most of the discussions as reported in shorthand of the arguments before the Privy Council dealing with our own constitutional affairs; and, as I said the other day in committee, it is only occasionally that we see glimpses of intelligence on the part of members of the Judicial Committee, when dealing with the local affairs of the Dominion of Canada, yet I confess that the people have not sufficient confidence in our own Supreme court to-day to abrogate entirely not only appeals in criminal cases, appeals in commercial cases, but appeals in constitutional cases; and, although the province of Quebec has met with many disappointments in respect of appeals to the Privy Council, yet I am persuaded that the great body of intelligent opinion in that province is, for the time being and under present conditions, that the right of appeal in constitutional cases should still be maintained. There is a feeling that, if the right of appeal in constitutional cases is not maintained, our people will not have the same confidence in the decisions of our own Supreme Court of Canada as at present constituted; and until you have, on the part of the people of all the provinces, implicit confidence in the ability, in the intelligence, and in the impartiality of our own Supreme court, you would introduce an element of discord, of suspicion and misapprehension into

the minds of the people of this country, if you were to abolish at the present time the right of appeal to the Privy Council in constitutional cases.

And then where is the need to-day of any radical revision of the British North America Act? The moment you begin to revise the British North America Act in its essential particulars you place the whole structure, it seems to me, in the melting pot; and we are not prepared to-day to have it placed in the melting pot and to set about arranging a new contract or agreement between the provinces as a basis for a new constitution for this country. Our constitution is different, as the hon. member for Labelle has said, from the constitutions of South Africa, of New Zealand, or of Australia. We are in this country a people drawn originally from two races. It took from 1791 until 1867 to reach a compact or agreement between those two races as to the terms on which they were prepared to coöperate and live in unity for the future; and if you now wipe out that compact, if you now put it into the melting pot, you introduce into Canada an element of discord, which will prevent this country from giving the time and attention it should give to its material and social development. If there were any grave evils apparent I would say let us adjust those evils. Certainly there is no difference between the status of the three provinces of the middle west and that of the provinces of the east which calls for placing the whole constitution in the melting pot to-day. The sole difference between the constitutions of Saskatchewan and Alberta and the constitution of Ontario, is the one provision with regard to natural resources and subsidies; and there was a body of opinion in the territories in 1905, which was represented by some of the ablest and most thoughtful men that we had produced in Canada at that time. They became parties to an arrangement which was carried into effect by the constitutional acts of Alberta and Saskatchewan of 1905, and they decided then that it was to their advantage that the natural resources of those new provinces should be held by the crown in the right of the Dominion of Canada, and that those provinces should receive in compensation annual subsidies largely increased in amount. To-day, Mr. Speaker, if those provinces wish their natural resources back there is not a voice in this House that will be raised against giving them back, by transferring to the crown in right of the provinces these parts of the natural resources which are not yet appropriated. The sole issue is not with regard to the return of the natural resources to Alberta, but as to certain portions of the natural resources—of the lands, mines, and forests,—which have been appropriated by the parliament of Canada for the purposes of carrying out certain educational trusts. To-day not a member of this House, I believe, would stand up and vote against the transfer of the natural resources to Alberta or to Saskatchewan; but we simply ask, some of us, that with respect to those lands already appropriated for educational purposes, the terms and conditions of that trust should be maintained and carried out by the crown in the right of the provinces as it is now being carried out by the crown in the right of the Dominion. Therefore there is no serious consideration presented to us why we should put our constitution in the melting pot because of any grave difference of status between the provinces of Alberta and Saskatchewan on the one hand, and the provinces of the east on the other.

Is there any subject which for the general advantage of Canada should be dealt with by the parliament of Canada, but which parliament now has not complete jurisdiction to deal with? There may be some, but I do not know of any. There is a question arising in the province of Ontario which we have been discussing in the special committee, as to the powers of the provincial legislature and the powers of our own parliament respectively, in imposing restrictions and conditions upon the operations of loan companies. Why should not the province have the right to deal with and prescribe the conditions under which certain insurance companies or certain loan companies should operate within its borders? That is certainly not a matter which calls for the placing of the constitution of this country into the melting pot again. Those are questions which for sixty years have been successfully dealt with by the courts of this country, and which will be so dealt with again during the next sixty years. Therefore, it seems to me, without taking the time of this House, that the one aim and object of all of us who desire to promote the interests of Canadian nationality, as I do, should be to secure such conciliatory coöperation between the various parts of the Dominion that we, whenever an occasion may arise in future, may so understand the sentiment of each other and be so animated by the same purpose that we will work cordially together to promote and preserve the national interests of Canada in whatever form and from whatever source those interests may be attacked. That is not evidence of a colonial spirit. So far as the legislative control by the British

parliament is concerned it is merely at present a convenient form through which the parliament and legislatures of Canada may give expression to their unanimous approval of certain projected changes or modifications in the Confederation act. It is simply a form of procedure, and before we abolish that form it is absolutely necessary that we should enter into a new compact, between the people of Canada on the one hand and the legislatures and people of each province on the other, that hereafter the constitution of Canada may be changed but may only be changed with the unanimous approval of the whole of the people, as represented by these legislatures.

Mr. BOURASSA: Hear, hear.

Mr. CAHAN: That would afford us the opportunity for saying that we control and are masters of our own constitution, and that we may make it or amend it or modify it as we see fit. But the fact remains that by the same approval of all the legislatures, and by the approval of the parliament of Canada, we may to-day amend it as we see fit, and therefore for the purpose of providing a new form of procedure which might be gratifying to our national pride, in the present condition of sentiment in this country, when there is lack of complete unanimity, we should not, I think, place the existing constitution into the melting pot for the purpose of arriving at a new compact which should provide the same necessary conditions, the consent of all the provinces to any proposed amendments or modifications. The time is not ripe for it. The time may come in twenty years, or it may come in thirty years or in a century. The main object of members of this parliament and of our people should be to prepare ourselves so that when that time necessarily comes we shall have such unanimity of political sentiment in this country as will enable us as a united people to go on and fulfil our destiny as a great Canadian nation on the northern half of this continent, prepared to stand for political rights, to fight our way, to maintain our liberty in spite of any aggression from any other part of the world. But do not let us be premature about it. Do not let us undertake the consideration of these grave constitutional changes until we are actually forced by circumstances to do so. Any country that has ever developed constitutionally has done so by producing men who are able, qualified and competent to deal with any such crisis as it arises. Then, when a crisis does arise, when you are actually forced into effecting these constitutional amendments, you have the men to solve the problem and to preserve and to maintain the high political destiny of the country of which they are citizens.

Mr. G. C. COOTE (Macleod): The sentiments expressed by the hon. member who spoke last (Mr. Cahan) seemed to me to be typical of the statesmen that we have had governing this country for many years—they do not want to deal with any problem until it is forced upon them. I think it is time we looked upon our problems in a different way and said, "We see this problem in the distance; we will start now to study it and perhaps we can reach a solution of it sooner and in a more satisfactory manner."

My only reason for taking part in this debate was to remind the House of the circumstances under which confederation was accomplished. There were several provinces in Canada—they were not really provinces, but each one was a colony. The representatives of these colonies came together, sat around a council table and considered the question: "Is there any agreement which we could enter into with the object of forming a dominion out of all these colonies?" Four of these colonies voluntarily entered confederation. They were the charter members. Prince Edward Island I think was a colony at that time by itself. It could have come into the union, but it said: "The terms offered to us are not satisfactory, and we will remain out." They afterwards came in of their own volition and on an agreement satisfactory to them. Later on British Columbia came in, on certain terms which were granted to her. She was not forced in, but I think Canada agreed to build a railway to British Columbia to induce her to come in. Then these provinces or colonies which were formed into the Dominion of Canada afterwards created other so-called provinces out of the great prairies lying in western Canada. I say "so-called," because if these colonies had been made into real provinces they would have been given the rights that were enjoyed by other provinces that came into the confederation. These western provinces, in my opinion, have been held by the rest of Canada very much in the same manner as Spain, Britain and other nations have held their colonies in the past. If these western provinces had been treated the same as the other provinces of Canada, after they had been formed into provinces, they would have been given the opportunity to say whether or not they wanted to come into confederation. There is no doubt that these provinces would have come in on terms that were satisfactory to them. But at the present time they are in confederation, and

they never were given a chance to say whether or not they wanted to come in, and I think the time will have to come—

Mr. MARCIL: May I ask whether the hon. gentleman has read the debates in this House of 1905, on the Autonomy Bill, when the feelings of the people of western Canada were expressed through their representatives on that question?

Mr. COOTE: No, Mr. Speaker, I have not, and it seems to me it would not very greatly alter the facts with which I am dealing. I do not think those representatives were entitled to speak for provinces which were not then formed.

Mr. CAHAN: They were entitled to speak for the territories out of which the provinces were formed.

Mr. COOTE: My contention is that these provinces should have exactly the same rights as the other provinces which entered confederation, and the other provinces all had the right to sit down at the council table and say on what terms they would come in.

I want to conclude before six o'clock, Mr. Speaker, and before sitting down I just wish to say that I am heartily in favour of this resolution. I think, if the committee were formed and discussed this question, the government would know very well what was the attitude of parliament in regard to many of these questions which must be considered largely from a Dominion point of view, and our representatives would then enter the interprovincial conference with that opinion of the House to guide them in their deliberations.

On motion of Mr. Marcil the debate was adjourned.

At six o'clock the House adjourned, without question being put, pursuant to rule.

Thursday, March 10, 1927

The House met at three o'clock.

COMMITTEE ON STANDING ORDERS

Mr. RENE MORIN (St. Hyacinthe-Rouville) presented the third report of the select standing committee on standing orders as follows:

The select standing committee on standing orders beg leave to present the following as their third report:

Pursuant to the provisions of rule 96 (2), your committee have considered the nineteenth report of the examiner of petitions for private bills, which reads as follows:

"Your examiner has duly examined the following petition for a private bill. This bill was considered by the House last session; and while the requirements of the ninety-first rule were fully complied with last session, no notice has been published in regard to any proceedings which may be taken on the said petition during the present session af parliament, viz:—

Of Charles B. Hibbard of Montreal, Quebec and others; to incorporate Red Lake and Northwestern Railway Company."

In view of the fact that the requirements respecting publication of notice were fully complied with last session, your committee recommend that rule 91 be suspended in reference to this application.

All of which is respectfully submitted,

RENE MORIN,
Chairman.

Mr. MORIN (St. Hyacinthe-Rouville) moved that the third report of the select standing committee on standing orders be concurred in.

Mr. STEVENS: Might we know what the report is? I must confess that I overlooked it.

Mr. MORIN (St. Hyacinthe-Rouville): It might stand as a notice of motion.

Stands as notice of motion.

MONTREAL, OTTAWA AND GEORGIAN BAY CANAL COMPANY

COMMUNICATION FROM LEGISLATIVE ASSEMBLY OF ONTARIO TRANSMITTING RESOLUTION

Mr. SPEAKER: I have the honour to inform the House that I have received from the Prime Minister and President of Council of the province of Ontario the following communication:

Toronto, March 8, 1927.

Dear Mr. Speaker:

On the direction of the legislative assembly of Ontario, I herewith enclose you copy of a resolution unanimously passed by that legislature yesterday afternoon, the seventh instant.

May I say that the resolution was not presented, discussed or adopted with any political motive or from any partisan point of view. It is an assertion by all the members of the legislature of the rights of the people they represent, in the water-powers that are involved in the application to parliament made by the Montreal, Ottawa and Georgian Bay Company.

May I express the hope that through the proper channels you will see that it is made known to the members of the House of Commons over which you preside.

Believe me, with every respect,

Yours very sincerely,
G. H. FERGUSON.

Honourable RODOLPHE LEMIEUX,
Speaker, House of Commons,
Ottawa, Ontario.

BANKING AND COMMERCE COMMITTEE

Mr. S. W. JACOBS (Cartier) moved:

That the select standing committee on banking and commerce be granted leave to sit while the House is in session.

Mr. SPEAKER: Before putting the motion I must observe that under the rules it should be preceded by a notice. It may be adopted at this stage only by unanimous consent.

Mr. CAHAN: May I ask the acting chairman, who has introduced the motion, to be good enough, if the motion passes unanimously, as we are all willing that it should, to give notice to some members of the House when the division comes, because some of us are anxious to place ourselves on record regarding certain matters coming before that committee.

Mr. JACOBS: I understand that if agreeable the committee will sit at four o'clock this afternoon.

Mr. SPEAKER: Is it the pleasure of the House to adopt the motion?

Some hon. MEMBERS: Carried.

Mr. SPEAKER: Carried by unanimous consent.

Motion agreed to.

COMMITTEE ON AGRICULTURE

Mr. W. F. KAY (Brome-Missisquoi) moved that the first report of the select standing committee on agriculture and colonization be concurred in.

Mr. G. G. COOTE (Macleod): I wonder if the chairman of the committee would be good enough to advise the House what that report contains?

Mr. KAY: The report in question was made to the House on March 2, and is to be found in the votes and proceedings of that day. It recommends to the House that the Seeds Act, 1923, be amended to provide that the minister shall have power to refuse a license for a new variety of wheat on the recommendation of a board named, and that he shall also have power to revoke a license on the recommendation of the same board.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

PULPWOOD BERTHS—MANITOBA

Mr. BISSETT:

1. Has the government at the present time any pulpwood berths for sale in the province of Manitoba?

2. If so, where are they located?

3. What is the intention of the government regarding the disposal of any further pulpwood areas in the province of Manitoba, and will any disposal be on the same conditions under which a sale was made to the Manitoba Paper Company?

4. What is the policy of the government regarding the disposal of any water-power sites on any of the rivers in the province of Manitoba, and where are such sites located?

Hon. Mr. STEWART:

1. No designated pulpwood berths but two possible developments.

2. One on Nelson river, the other on the Saskatchewan river.

3. Applications will be given consideration as received and no awards will be made without public competition after due advertisement.

4. Water-power, so far as unalienated, appurtenant and essential to the development of new pulp and paper industries will be reserved therefor.

INSPECTION OF CARS OF WHEAT

Mr. COOTE:

1. How many cars of wheat have been inspected at Calgary and Edmonton from September 1, 1926, to December 31, 1926?

2. What is the number of cars of each grade?

3. How many cars have graded straight?

4. How many cars have been inspected "no grade" on account of moisture?

Hon. Mr. FORKE:

1 and 2.	Calgary cars	Edmonton cars	Total cars
No. 1 Northern...	539	271	810
No. 2 Northern...	1,054	618	1,672
No. 3 Northern...	2,392	1,015	3,407
No. 4	1,282	548	1,830
No. 5	520	234	754
No. 6	427	175	602
Feed.	187	48	235
Smutty..	25	30	55
No grade..	5,432	7,680	13,112
Rejected	13	8	21
Rejected Sprouts..	23	87	110
No. 1 Alberta Red winter..	1	.....	1
No. 2 Alberta Red winter..	1	.....	1
No. 3 Alberta Red winter..	2	.....	2
No grade Alberta Red winter...	5	.....	5
No. 3 White spring	4	.....	4
No grade white spring..	8	.....	8
Total..	11,915	10,714	22,629

3. Calgary, 6,222; Edmonton, 2,861; total, 9,083.

4. 13,119.

* WORK ON SUNDAY—CIVIL SERVICE

Mr. McQUARRIE:

1. Does the order in council No. P.C. 1537, dated 5th September, 1925, relating to the observance of the Lord's Day, include all permanent full time civil servants?

2. Is the government aware that full time civil servants are still required to work six days a week and on Sundays, without receiving one day off in the week as compensation as set out in the above order in council, or without extra remuneration for the Sunday?

3. Will the Prime Minister see that the contents of the above order in council are officially communicated to all full time civil servants through their respective ministers, deputy ministers and heads of branches as soon as possible?

Right Hon. Mr. MACKENZIE KING (Prime Minister): Mr. Speaker, this question refers to order in council No. 1537 dated September 5, but I think my hon. friend means an order passed on September 7, which bears that number. In answer to the first question I shall lay on the table a copy of the order. The answer to the next question is "no." With regard to the third question I would say to my hon. friend that I have asked the Clerk of the Privy Council to see that all departments are supplied with a copy of this order in council.

HARBOUR AT OSHAWA

Mr. KAISER:

1. When did the Dominion government purchase the harbour at Oshawa, and what price was paid for it?

2. When was the site purchased for the proposed turning basin, and what price was paid for it?

3. What estimate is placed upon the completed harbour improvements at said port?

4. How much has been expended thereon each year since 1921?

5. How much money is still required for the contemplated improvements?

Hon. Mr. ELLIOTT:

1. (a) April 8, 1901; (b) $7,500.00.

2. (a) April 15, 1914; (b) $3,529.20.

3. Approximately $244,000 for a 15-foot proposition.

4.

1921-22	$ 968 13
1922-23	1,175 75
1923-24	800 99
1924-25	16,317 95
1925-26	94,670 54
1926-27	17,382 36
	$131,315 72

5. Approximately $112,000.

[Mr. Forke.]

STAFF APPOINTMENTS—CANADIAN LEGATION AT WASHINGTON

Hon. Mr. EDWARDS (Frontenac-Addington):

1. What positions have been established in connection with Honourable Vincent Massey's staff at Washington, D.C.?

2. Who have been appointed to such positions and how were the appointments made?

3. What salary is being paid to each of the appointees?

4. Are there any vacancies yet to be filled?

5. Do these positions come under the jurisdiction of the Civil Service Commission, and if not, why not?

Right Hon. Mr. MACKENZIE KING:

1. First secretary, commercial secretary and third secretary.

2. Laurent Beaudry, Merchant Mahoney, and Thomas A. Stone, have been appointed to these respective posts, for the remainder of the present fiscal year, in accordance with section 23 of the Civil Service Act.

3. $5,000, $5,000 and $3,000 respectively.

4. Yes.

5. No, it was considered that the procedure of selection by the Civil Service Commission was not appropriate for these initial appointments to posts abroad.

LAND SETTLEMENT SCHEME

Mr. McKENZIE:

1. Has the government purchased or do they intend to purchase any lands in connection with their proposed lands settlement scheme?

2. If so, is it the intention to render such lands liable to all forms of municipal taxation?

3. Is it the intention to make lands now classed as crown lands and which have been sold to immigrant settlers, subject to the provisions of the municipal acts with reference to tax sale procedure, before the land has been fully paid for by the settler?

4. Is any change contemplated whereby Soldier Settlement Board lands are to be made liable to sale under the provisions of the tax sale proceedings of the municipal acts?

Hon. Mr. FORKE:

1. No.

2. Answered by No. 1.

3. No.

4. No.

JOSEPH H. CYR

Mr. CAHAN:

1. Has Joseph H. Cyr been dismissed from the office of postmaster of Ste. Sabine station, county of Bellechasse, province of Quebec?

2. If so, on whose charge or complaint was such dismissal made?

3. What was the nature of such charge or complaint?

4. Was the said postmaster, who was so dismissed, given an opportunity to present his defence against such charge or complaint?

5. If so, what was the nature of his defence?
6. What annual salary or revenue attached to said office?

Hon. Mr. VENIOT:

1. Yes.
2. Member for constituency.
3. That postmaster was guilty of active political partisanship to the member's personal knowledge.
4. Not the practice in cases in which a member is prepared to state that of his own knowledge an offence contravening the provisions of the Civil Service Act, respecting political partisanship, has been committed.
5. See 4.
6. Salary and allowances $171.

CANADIAN NATIONAL RAILWAYS

BRANCH LINES CONSTRUCTION—AMENDED RESOLUTION

Hon. CHARLES A. DUNNING (Minister of Railways and Canals) moved that the House go into committee at the next sitting to consider the following proposed resolution:

Resolved, that it is expedient to bring in a measure to provide for the construction, prior to the 31st day of August, 1930, of the following Canadian National railway branch line:—

From a point on the Canadian Northern railway near Shellbrook to a point in township 50, ranges 14 or 15, west of the third meridian, in the province of Saskatchewan, estimated mileage 77.0; average expenditure per mile, $32,207; estimated cost $2,480,000.

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

I would like to say that this is an amendment to section 8 of the resolution already standing in my name, with which I hope to go on to-day, and in view of that I would ask that it be substituted for section 8 of the existing resolution in order to enable discussion of the whole program to-day.

Motion agreed to.

WELLAND CANAL—IMPORTATION OF TIMBER

On the Orders of the Day:

Hon. H. H. STEVENS (Vancouver Centre): I would like to ask my friend the Minister of Railways (Mr. Dunning) with regard to some information which was given to me the other day. I was informed that large timbers needed for and being used in the construction of the Welland canal were being brought from Oregon or Washington via Vancouver. I want to ask the minister if he is aware of this and, if so, why we are using timber imported from the United States when there is an ample supply available in Canada. If the minister has not the information under his hand will he make the necessary inquiries and give an answer later?

Hon. CHARLES A. DUNNING (Minister of Railways and Canals): I was not aware of anything of the kind, Mr. Speaker, and will be glad to make inquiries and let my hon. friend have the information at a later date.

CLAIMS OF BRITISH COLUMBIA—APPOINTMENT OF COMMISSIONER

On the Orders of the Day:

Hon. S. F. TOLMIE (Victoria, B.C.): I would like to ask the right hon. Prime Minister if it is true that a commissioner has been appointed to inquire into the claims of British Columbia in regard to railway lands and other matters. If that is so, what is the name of the commissioner and what is the scope of the inquiry?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I will be pleased to lay on the table of the House a copy of the order in council which will inform my hon. friend of the scope of the commission. Mr. Justice Martin of Regina is the commissioner.

TRADE TREATY WITH GERMANY

On the Orders of the Day:

Hon. HUGH GUTHRIE (Leader of the Opposition): Might I ask my friend the Prime Minister if there is any truth in the rumour which appears in the newspapers that a new trade treaty is being negotiated between Canada and Germany? If negotiations are taking place, could the Prime Minister give us an outline of the contents of the proposed treaty?

Hon. JAMES MALCOLM (Minister of Trade and Commerce): I might say that at the moment no trade treaty is being negotiated between the government of this country and Germany.

AUSTRALIAN INDUSTRIAL DELEGATION

On the Orders of the Day:

Mr. L. J. LADNER (Vancouver South): I would like to draw to the attention of the government a despatch appearing in the Victoria Province under date of March 4, relative to the visit to this continent of a delegation sent by the Commonwealth of Australia to study trade conditions. The article will explain the point I am raising, and is as follows:

That the non-inclusion of Canada in the itinerary of the Australian industrial delegation to North America is entirely due to the neglect of the Dominion government is the only expression one gleans from the members of the delegation, numbering twelve, who arrived here by the Niagara to-day.

Public announcement in the press of Canada and the United States was made five months ago of the decision of the Commonwealth government to send the delegation to study trade and industrial conditions, but the authorities at Ottawa appear to have been quite indifferent to the desirability of their taking Canada in on their tour.

Thus it appears that what is evidently an official delegation which is making a visit to this continent will not include Canada in its tour. I should like to know why this delegation has not received any invitation from the government.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I do not know what credibility is to be attached to the representations in the article which my hon. friend has quoted; it is the first I have heard of the matter. I would say, however, that if any representations had been made to the government of Canada by the government of Australia with respect to any trade delegation that might have wished to visit Canada, a hearty and most cordial invitation would have been extended to it so to do.

NEW AUSTRALIAN PARLIAMENT BUILDING

On the Orders of the Day.

Mr. W. G. McQUARRIE (New Westminster): May I ask the Prime Minister if it is the intention of the government to accept the invitation of the Australian government to send a minister to attend the opening of the new Australian houses of parliament? If so may I venture the suggestion that Canada's representative might take up with the Australian government the matter of amending the Australian treaty.

Mr. MACKENZIE KING: In answer to my hon. friend's question I may say that it is the intention of the government to be represented in Australia at the opening of the new houses of parliament in Australia. I hope this country will be represented by a minister of the crown.

PURE BRED STOCK

DISTRIBUTION OF SIRES AMONGST STOCK BREEDERS

On the Orders of the Day.

Mr. HARRY J. BARBER (Fraser Valley): I have a telegram I wish to draw to the attention of the Minister of Agriculture. It reads as follows:

[Mr. Ladner.]

Chilliwack, B.C., March 7, 1927.

British Columbia Jersey Breeders' Association ask for your influence against discontinuing bull clubs. Great help to new settlers outlying sections.

I think the minister promised a reply to similar representations from other organizations.

Hon. W. R. MOTHERWELL (Minister of Agriculture): I have issued a communication in reply to a number of inquiries regarding this matter and I will send my hon. friend a copy of it.

QUESTIONS OF PRIVILEGE

MARITIME CLAIMS—MR. DUFF

On the Orders of the Day.

Mr. WILLIAM DUFF (Antigonish-Guysborough): Before the orders of the day are called I wish to rise to a question of privilege. In that great family journal the Financial Post of March 4 there appears an article on the first page headed, "Maritime report keeps the government awake at nights." I do not know whether that is true or not, nor do I care, but there is a special heading which says, "Liberal members from the east said to oppose subsidy". Now, Mr. Speaker, on my own behalf, as a member from the maritime provinces supporting the Liberal party, and as president of the Nova Scotia Liberal Association I wish to state there is no truth in that statement and that we are in favour—

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

Mr. SPEAKER: There is no question of privilege involved in the hon. member's complaint.

Mr. DUFF: Mr. Speaker, as a Liberal member can I not say that I am in favour and that the Liberals of Nova Scotia are in favour of the Duncan report?

Some hon. MEMBERS: Order.

Mr. SPEAKER: Order.

DIAMOND JUBILEE COMMEMORATION—MR. KAISER

On the Orders of the Day.

Mr. T. E. KAISER (Ontario): I should like to rise to a question of privilege, although I may be ruled out in the same way that an hon. member opposite has been. A statement is published in the Ottawa Journal this morning with which my name is connected, and one line contains a reference which may mislead the public and the House as to a suggestion which I made in connection with the jubilee. The newspaper in question states that the suggestion was advanced that a

plaque carrying the portraits of the members of the House of Commons of 1927 should be placed in various counties of Canada. This is misleading. What I had in mind was that the plaque should display the portraits of the 181 members of the House of Commons of 1867. That is to say we should perpetuate in that way the memory of the members of the first parliament of the Dominion of Canada.

QUESTION BY MR. LADNER

On the Orders of the Day.

Mr. LADNER: Mr. Speaker,—

Mr. SPEAKER: The hon. gentleman has already spoken.

Mr. LADNER: I am rising to ask a question of the Minister of Trade and Commerce.

Mr. SPEAKER: According to Bourinot the putting of questions when the orders of the day are called, is a privilege which must not be abused. The hon. gentleman has already spoken. I do not wish to be discourteous to the hon. gentleman, but once he has spoken he has exercised his privilege.

DEPARTMENT OF NATIONAL REVENUE

Hon. W. D. EULER (Minister of Customs and Excise) moved the third reading of Bill No. 113, respecting the Department of National Revenue.

Mr. R. S. WHITE (Mount Royal): Mr. Speaker, it was my misfortune not to have been in my place in this chamber on Tuesday last when this bill was discussed. Had I been here I would have expressed my most cordial commendation of the character of the bill and of the proposal to create subdivisions in this department. I believe that the appointment of three commissioners will have the effect of expediting the business of the department, and of relieving the minister of an immense amount of routine which should not be saddled upon him. I would also have suggested—I observe there was a little discussion on the point—that the name "Department of National Revenue" should be altered. It was suggested when the bill was discussed that the title "Department of Dominion Revenue" should be substituted but that I think would not be appropriate. It will be within the recollection of hon. members that a few years ago it was thought advisable to change the name of the Department of Militia and Defence and it is now known as the Department of National Defence. To that alteration there could be no possible objection. The introduction of the aeroplane and the creation of an air force have made necessary an enlargement of the description of the department, and "national defence" now correctly describes its function. In that case the question of provincial administration did not arise at all, because the matter of defence is one wholly within the jurisdiction of this parliament. But when you come to deal with revenue it seems to me that without straining the point, without chasing a shadow but with some degree of substance, it can be said that the revenues of the province of Quebec are Dominion or national revenues. The suggestion therefore that I would make to the Minister of Customs and Excise is that instead of using the words "national revenue" he should use the words "federal revenue". By doing so a clear distinction is made between provincial revenues and what we call Dominion revenues. There is a treasurer in each of the various provinces. It is quite conceivable that at any time in the future the provincial treasurer might be called the Minister of Provincial Revenue. Is it not logical and will it not better answer the purpose of the reorganization of the Department of Customs and Excise if the corollarial terms be Minister of Federal Revenue in respect of the revenue of the Dominion and Minister of Provincial Revenue in respect of the revenue of the province? That is the suggestion which I throw out now and which I would have thrown out before if I had had the good fortune to be present when the bill was before the House on a previous occasion. It is a simple matter, a matter of a few minutes, to make the change and I think it would be more appropriate.

Motion agreed to and bill read the third time and passed.

WAR CHARITIES ACT, 1917, REPEAL

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved the third reading of Bill No. 114, to repeal the War Charities Act, 1917.

Motion agreed to and bill read the third time and passed.

CANADIAN NATIONAL RAILWAYS

BRANCH LINES CONSTRUCTION—RESOLUTION

Hon. CHARLES A. DUNNING (Minister of Railways) moved that the House go into committee to consider the following proposed resolution:

That it is expedient to bring in measures to provide for the construction, prior to the 31st day of August, 1930, of the following Canadian National railway branch lines:—

1. (a) From a point about three miles west of St. Felicien on the St. Felicien branch of the

James' Bay and Eastern railway to a point on the Mistassini river, in the province of Quebec. Estimated mileage 27.5 miles; average expenditure per mile $53,589; estimated cost $1,463,000.

(b) Section (1). From a point near Hebertville on the Quebec and Lake St. John railway to Ile d'Alma on the Saguenay river in the province of Quebec. Estimated mileage 9.5 miles; average expenditure per mile $56,526; estimated cost $537,000.

Section (2). From a point on Ile d'Alma on the Saguenay river to Savanne on the Peribonka river in the province of Quebec. Estimated mileage 25.0; average expenditure per mile $63,800; estimated cost $1,595,000.

Total (b) Mileage 34.5; average expenditure per mile $61,797; estimated cost $2,132,000.

The construction of these lines shall be subject to the following conditions:—

In the event of running rights being secured between near Hebertville and Ile d'Alma over the line of the Alma and Jonquiere railway, that part of the line authorized by this act between near Hebertville and Ile d'Alma shall not be constructed by the company, nor shall securities be issued or guaranteed in respect thereof.

2. From a point near Grand'Mere on the Canadian Northern Quebec railway in the province of Quebec. Estimated mileage 7.9; average expenditure per mile $213,038; estimated cost $1,683,000.

3. From a point near Pilkington on the Canadian National railway to a point near Niagara junction on the Canadian National railway in the province of Ontario. Estimated mileage 16.7; average expenditure per mile $69,700; estimated cost $1,164,000.

4. From a point near Weyburn on the Grand Trunk Pacific Saskatchewan railway to a point near Radville on the Canadian Northern railway, in the province of Saskatchewan. Estimated mileage 22.7; average expenditure per mile $25,110; estimated cost $570,000.

5. From a point near Willow Brook on the Canadian Northern railway to a point in township 27, range 9, west of the second meridian, in the province of Saskatchewan. Estimated mileage 22.0; average expenditure per mile $28,000; estimated cost $616,000.

6. From a point near Sturgis on Canadian Northern railway to a point on the Canadian Northern railway between Crooked River and Mistatim, in the province of Saskatchewan. Estimated mileage 100.0; average expenditure per mile $33,950; estimated cost $3,395,000.

7. From a point between Crooked River and Mistatim on the Canadian Northern railway to a point in township 48, ranges 11 or 12, west of second meridian, in the province of Saskatchewan. Estimated mileage 19.0; average expenditure per mile $30,000; estimated cost $570,000.

8. From a point on the Canadian Northern railway near Shellbrook to a point in township 50, ranges 14 or 15, west of the third meridian, in the province of Saskatchewan, estimated mileage 77.0; average expenditure per mile, $32,207; estimated cost $2,480,000.

9. From a point at about mile 67 on the Turtleford southeasterly branch of the Canadian National railway to a point on the Canadian Northern between Hafford and Richard in the province of Saskatchewan. Estimated mileage 35.6; average expenditure per mile $31,742; estimated cost $1,130,000.

10. From a point near Kindersley on the Canadian Northern railway to a point near Gliddon on the Canadian Northern railway in the province of Saskatchewan. Estimated mileage 18.0 average expenditure per mile $35,555; estimated cost $640,000.

11. From a point near Spruce Lake on the Canadian Northern railway to a point in township 53, range 25, west of the 3rd meridian, in the province of Saskatchewan. Estimated mileage 29.5; average expenditure per mile $33,559; estimated cost $990,000.

12. From a point near Hudson Bay Junction on the Canadian Northern railway to a point in townships 39 or 40, range 5, west of the second meridian, in the province of Saskatchewan. Estimated mileage 32.0; average expenditure per mile $34,000; estimated cost $1,088,000.

13. From a point near Elk Point on the Canadian National railway to a point in township 55, ranges 3 or 4, west of the fourth meridian, in the province of Alberta. Estimated mileage 19.0; average expenditure per mile $39,210; estimated cost $745,000.

14. From a point near Ashmont on the Canadian Northern Western railway to a point at or near Bonnyville, in the province of Alberta. Estimated mileage 38.0; average expenditure per mile $37,237; estimated cost $1,415,000.

15. From a point near Bretona on the Canadian Northern railway to a point near Clover Bar on the Grand Trunk Pacific railway, in the province of Alberta. Estimated mileage 11.0; average expenditure per mile $29,000; estimated cost $319,000.

Hon. HUGH GUTHRIE (Leader of the Opposition): Before the motion is adopted I should like to ask the Minister of Railways if this resolution goes as a matter of course to the special committee on railways and shipping in order to be finally dealt with there.

Mr. DUNNING: The procedure intended by the government with regard to it is to send the bills which will be founded on it, not to the special railway and shipping committee, but to the select standing committee on railways, canals and telegraph lines. That was the procedure followed on former occasions and I think it will be more satisfactory, particularly as the special committee will be loaded with work as soon as the Canadian National accounts come down.

Mr. GUTHRIE: The bills go to the select standing committee?

Mr. DUNNING: Yes.

Motion agreed to and the House went into committee, Mr. Johnston in the chair.

Mr. DUNNING: It might facilitate matters if I made a brief general statement to the committee. As is well known, an effort was made three years ago to place Canadian National branch line construction upon a three-year

basis in order that the management of the National railways might be able to enter more intelligently upon their construction work from year to year and not be held up depending upon the progress of an individual session of parliament. The last three-year program voted by the House has now been practically completed. Nineteen branch lines have been constructed, involving a mileage of 572 at an estimated cost of $14,964,000 under the last program completed this year. Two projects only were not proceeded with, one being Kingsclear-Vanceboro line which was rendered unnecessary by reason of running rights being secured over the Canadian Pacific, and the other being the Rosedale-Bullpound Creek line in connection with which I expect shortly to bring down a bill for an extension of time. With the exception therefore of one project the whole of the previous program has been or will be completed prior to the 31st August, 1927, when the three-year authority expires.

The program now presented by the management through me for the next three years is very comprehensive in character and it has been given wide publicity. It is recommended by the president and the board of directors to the consideration of the House. When this resolution passes, I hope to introduce fifteen separate bills based upon it, and later I hope to refer these fifteen bills to the select standing committee on railways, canals and telegraph lines, in order that the details of the proposal may be examined by the committee and a report made thereon to the House.

Mr. HANSON: I was out while the minister was making his statement. Do I understand him to say that the proposed Kingsclear-Vanceboro branch has been definitely abandoned?

Mr. DUNNING: Yes.

Mr. HANSON: If a violation of the rule that seems to have been brought down is not involved, what is the arrangement with the Canadian Pacific Railway as regards running rights between Fredericton and Vanceboro?

Mr. DUNNING: I have not under my hand the details of that arrangement, but running rights have been secured over the Canadian Pacific. Thus in the opinion of the Canadian National management the construction of a further line has been rendered unnecessary. I know of no reason why the details of the arrangement should not be given to the House. I suppose it is the usual standard running rights arrangement, but I shall be glad to get the information for my hon. friend at a later date.

Mr. MANION: What is the total amount involved in these fifteen branch lines?

Mr. DUNNING: The amount is $20,400,000 spread over the next three years.

Mr. STEWART (Leeds): What is the total mileage?

Mr. DUNNING: 510.2 miles.

The CHAIRMAN: Shall we take up the resolution clause by clause?

Some hon. MEMBERS: Yes.

On section 1.

Mr. DUNNING: With regard to paragraph 1, I should make a statement. The management of the road wish me to inform the House with reference to this district of lake St. John, as follows:

> While it is not believed that the construction of the lines enumerated above during the period will reasonably protect the interests of the Canadian National Railways, there is one notable exception. The rapid development of the lake St. John district of Quebec clearly indicates the probable future need for improved railway transportation facilities, to make it possible to handle the traffic economically. The situation in respect to the requirements of this region has been under consideration for some time, and while we are not yet prepared to make any further recommendation than the construction of the two branches included in the above list, it is altogether likely that we will find it necessary to make a further recommendation after our studies are completed.
>
> Of course, it may also be found desirable to ask later for one or two other extensions in other fields, as a result of developments not fully foreseen at this time.

Section 1 agreed to.

Section 2 agreed to.

On paragraph 3.

Mr. ANDERSON (Halton): Are these branch lines intended to connect up with the general scheme of operation of the Canadian National, and if so, what sections will they connect with?

Mr. DUNNING: Each of the branch lines proposed connects with the existing Canadian National System. I shall be glad to give details of the one under discussion if my hon. friend wishes. I am prepared to give details to this committee, or to the railway committee, just as this committee desires.

Mr. MARCIL: I think some details should be given now so that they will appear on Hansard, because we are all interested in this branch line development, and others, like myself, are not members of the special committee. Perhaps the minister would give us

just a short synopsis of the recommendations made by the management, especially with regard to the lines in Quebec. I know there has been a scheme on foot in the lake St. John district for the construction of a circular line around lake St. John. Is there anything in the minister's notes regarding the construction of such a line?

Mr. DUNNING: The two branches which are dealt with in section 1 (a) and 1 (b), and in section 2 are both in the lake St. John area, one proceeding up the west shore of the lake, and the other going partly around the north shore.

Mr. MARCIL: The construction of this circular line is not contemplated at present?

Mr. DUNNING: Not completely around the lake. I read the president's note on that in order to make clear that the railway company is of opinion that they may require to come back within the three year period with respect to certain proposals in various parts of Canada, and particularly with respect to the lake St. John area.

Mr. HANSON: If I am not out of order, I would like to ask the Minister of Railways if the government is giving any consideration to taking over the Kent Northern railway, the last branch line in the province of New Brunswick which has not been acquired by the Canadian National system. Is it the intention to take it over immediately, or is it intended not to take it over? How does the matter stand?

Mr. DUNNING: I am afraid my hon. friend's information is surely not correct when he says that is the last branch in New Brunswick not taken over by the Canadian National.

Mr. HANSON: I think it is.

Mr. DUNNING: To commence with, my hon. friend would not describe the St. John Valley railway—

Mr. HANSON: I had forgotten that, but you are operating that road anyway.

Mr. DUNNING: I would prefer, of course, not to discuss at this stage a matter which is dealt with specifically in the Duncan report as a part of the maritime provinces' general problem. My hon. friend's question opens up a very wide field indeed in that connection. I think the committee will see the force of that.

Mr. KAISER: I notice that section 3 speaks of a cost of $69,700 per mile, and in Saskatchewan there is a branch line to be constructed at a cost of $25,000 per mile. Is this big difference largely due to the cost of the right of way?

Mr. DUNNING: I am sorry I have not that detailed information under my hand, but I will see that it is supplied in the railway committee. There will, of course, be a detailed estimate before that committee in the hands of the officers of the company.

Mr. McGIBBON: Are these branch lines simply to gather the local traffic, or are they a part of the main line system?

Mr. DUNNING: The lines fall into three general classes: (1) lines which offer economic and operating advantages to the system; (2) branches for the purpose of general development and colonization of the country which will constitute feeders to the system; (3) a branch which will link the Hudson Bay railway with the south lines of the Canadian National railway system.

Mr. McGIBBON: Is the department really undertaking to build more colonization roads?

Mr. DUNNING: Both the Canadian National and the Canadian Pacific are reaching out into the newer parts of Canada very rapidly. Both railways have found it profitable to do so, the Canadian Pacific especially. One of the criticisms of this parliament which is being heard more and more frequently is that the Canadian Pacific is reaching out into new country at a faster rate than the Canadian National, and the object of this branch line program is to give the Canadian National the opportunity of reaching out into the newer developed sections of Canada, in order to build feeders for the Canadian National sytem.

Mr. McGIBBON: I do not think the hon. minister caught my point. Is it the policy to build purely colonization roads irrespective of the traffic available at the present time?

Mr. DUNNING: It is very difficult to know exactly what my hon. friend means by that term—"purely colonization roads." If he means lines which as they are built tend to open up the country and bring in settlers, and thus produce traffic progressively year by year, yes, that is the policy of the Canadian National, and it is supported by the Department of Railways and Canals.

Mr. McGIBBON: But are you building these ahead of settlement?

Mr. DUNNING: I would not say that we would adopt the policy of going in ahead of settlement, but, fortunately or unfortunately, there are many areas of Canada into which

settlement has gone fifty and sixty and in some cases up to one hundred miles ahead of the railway, in varying degrees, and it is into that type of settlement that the railways, both the Canadian Pacific and the Canadian National are being pushed. Always when a line is built into such a district the settlement increases very rapidly, and consequently the traffic increases rapidly also.

Mr. CANTLEY: I understand that this is a program covering three years. There is no doubt at all in my mind that such a policy is necessary due to the growth of the country, for to operate properly the system must have feeders. But I would like to ask the minister whether we are to understand that no branch line construction outside of this program now brought down will be considered during the next three years which it is supposed to cover.

Mr. DUNNING: I should again in that connection quote from the president's memorandum, which I read a short time ago. After dealing with the lake St. John district, as to which the president specifically stated that further studies were being undertaken in that neighbourhood which might make it necessary for the company to come back again to parliament, he says also:

> Of course it may also be found desirable to ask later on for one or two other extensions, as a result of development not fully foreseen at this time.

That is to say while we are providing for a three year policy of construction, our hands are not completely tied and we are not prevented from considering projects which may develop as a result of things which are not foreseen at the moment.

Mr. CANTLEY: That satisfies me in regard to something unforeseen at the moment, but I am referring to some branch lines in the maritime provinces which have been discussed in this House several times, and as a matter of fact I think have been authorized by this House on two occasions. The program, as the minister has outlined it, calls for an expenditure in the prairie provinces of $12,000,000 or $13,000,000 and over $5,000,000 in the province of Quebec. I should like to know if, in regard to branch lines, the door is closed to Nova Scotia for three years.

Mr. DUNNING: The door of the president of the Canadian National Railways is never closed with respect to branch lines. My hon. friend will have in future the same opportunity as he and all others have had in the past of attempting to convince the management of the Canadian National Railways that any given proposal should be recommended by them to the government.

Mr. KAISER: Many of us are not members of the railway committee, and here is an outstanding item which I think must have caught the minister's eye and in regard to which I should like some explanation. Section 2 speaks of seven miles of railway from a point near Grand Mere on the Canadian Northern Quebec railway, at an estimated cost of $213,038 per mile. Can we not get some explanation?

Mr. DUNNING: I am sorry I did not bring my estimates with me. I did not consider all the estimates would be required in committee, but I have here some indication of the motive for the line in question. I have a summary of the information later to be laid before the railway committee.

Mr. KAISER: Most of us are not members of that committee and we would like an explanation of an outstanding figure such as this.

Mr. DUNNING: This branch would leave the present line at Grand Mere and keeping in the valley of the St. Maurice river swing south of the present line into the town of Shawinigan Falls, then head generally northwest and rejoin the present main line at East Burrills about two and a half miles west of Glenada station. The present line from Grand Mere to East Burrills and the spur Aldred to Shawinigan Falls would be abandoned. This branch line will accomplish two things. It will reduce the present steep gradient westbound out of Grand Mere, which is now 1.5 per cent to 0.6 per cent and give direct main line connection to the town of Shawinigan Falls.

The big economy however, comes from the reduction of gradients on the main line. At Garneau Junction, three miles west of Grand Mere come together the line from Quebec and the line from the north, which brings business from the lake St. John district, as well as from the National Transcontinental railway. The westbound tonnage from Garneau Junction to Montreal is concentrated and therefore heavier than east of Garneau Junction. At present the westbound gradient immediately out of Grand Mere controls the trainload into Montreal. By the proposed gradient improvement at this one place on the main line, the westbound freight train tonnage can be increased immediately by 79 per cent and eventually when a few other changes have been made in the line west into Joliette, the tonnage of trains westbound can

be better than doubled. This means that on completion of this line 45 per cent of the freight train miles can be saved on business moved, and, with the further grade revision into Joliette complete, the freight train miles can be more than cut in two for a given business.

This will give my hon. friend an indication of the reasons why it is necessary to spend a large sum of money. Without having the details before me, I may say in a general way that on the Canadian National system there are many places where, when the line was first constructed, a roundabout route and a heavy gradient were adopted in order to avoid the greater expense which would be involved in going more directly and on a lower grade. This is one outstanding case. It is very obvious that when the line was first built the cheapest possible route was adopted, producing heavy grade conditions. We are able, by spending a lot of money, as my hon. friend points out, to reduce the grade and double the trainload westbound into Montreal, and it will therefore pay for itself in a short time.

Mr. KAISER: I concede that that might justify the construction of the railway, but it does not give me any information as to why a mile there should cost $213,000, and other sections cost only $50,000 and $25,000 a mile respectively. Why should the railway cost this large sum of money?

Mr. BOYS: A question has been asked as to why this line should cost as much as $213,038 per mile, and I think we should have an answer.

Mr. DUNNING: I have endeavoured to say on at least three occasions, in reply to that question this afternoon, that I have not with me complete particulars of the engineer's estimated cost of every mile proposed to be built, because in the past I have found that such details have been gone into in the select committee, and I did not come prepared with that information. I would require to have a great volume of information on my desk in order to answer that question, and I have not the information at present. Any members of this House who are not members of the railway committee can attend the sittings of that committee, if it is convenient for them to do so, and I will be very glad indeed to have a complete memorandum for the information of my hon. friend in that committee. I cannot pretend to carry all the details in my head. I have not on my desk at the present time the large volume of information which necessarily accompanies these branch line proposals.

[Mr. Dunning.]

Mr. GEARY: The line starts at Grand Mere and runs to what point?

Mr. DUNNING: Back to the main line again.

Mr. GEARY: But where to? If it ran through Montreal we could easily understand the reason of the heavy cost.

Mr. DUNNING: It is only seven miles long.

Mr. GEARY: Where does it begin and where does it end?

Mr. DUNNING: It runs from Grand Mere to Shawinigan Falls and back to the main line at East Burrills. Maps have been supplied for members of the committee indicating in a general way the details of each one of the proposals. I think my hon. friend has the map.

Mr. GEARY: That is all right, but paragraph 2 is a little short in its information and is not properly drafted.

Mr. DUNNING: My hon. friend is right about that but it is in proper shape in the bill itself.

Mr. GEARY: My hon. friend indicated that this program comprised all the work to be done within the next three years. I hope my hon. friend will be able to assure the House that during the next three years he will not permit any order in council to go through for the construction of a branch like the Rouyn railway. This was not included in the program of the last three years. It never came before the House but was put through quietly by order in council at a cost of $5,000,000. I hope this will not occur again.

Mr. McGIBBON: The minister is not quite frank with us. He comes to the House with a large order and is not prepared to give us any information at all. He practically asks us to delegate our functions and our ability to the railway committee, on which three-quarters of the members do not sit. There are many committee meetings to be attended, and these bills ought not to go through the House without adequate information. We are going to vote millions of dollars regarding the expenditure of which we shall be altogether ignorant. I repeat, the minister is not very frank with us.

Section agreed to.

On section 4.

Mr. JELLIFF: The mileage provided for Alberta is approximately sixty-eight, and the

total expenditure on the different branch lines in Alberta is $2,479,000. The branch lines of Saskatchewan approximate 293 miles and involve an expenditure of $9,629,000. I want to commend the minister for making provision to meet the needs of the farmers of these two provinces, while at the same time bringing additional traffic to the national system. But I trust, in view of these figures and the large expenditure made in the province of Saskatchewan, he will keep the needs of Alberta in mind when he is urged later to provide additional mileage to serve the Peace River district, and to provide an outlet to the coast for the people there.

Section agreed to.

On section 5.

Mr. CAMPBELL: What is the objective of this particular branch? Are the railway officials aiming at any particular point in the extension of the Willow Brook branch?

Mr. DUNNING: The Willow Brook situation has developed as the result of a tentative arrangement between the Canadian Pacific and the Canadian National to serve an area which lies between the Canadian Pacific Winnipeg-Edmonton main line and the former Grand Trunk Pacific main line of the Canadian National. There is rather a wide gap through there. The Canadian Pacific gave notice of their intention to ask parliament for a charter covering the territory in question, but it appeared that as a consequence of granting that charter the Canadian Pacific would parallel the main line of the Canadian National for a distance of between forty and fifty miles at not much more than ten miles. Naturally the Canadian National objected, but they indicated their willingness to extend the Willow Brook branch into that area and to serve part of it at the present time, and later on as much of it as might be necessary. Both railways came to me as minister and I suggested that if they were still in disagreement, the railway committee would deal with the matter and decide which line should serve the territory in question. I suggested, however, that they might possibly facilitate matters for parliament by discussing the subject and agreeing to some method of serving the territory without duplication. After they had reached an agreement with the Canadian National on the division of the territory, the Canadian Pacific's proposals were considered by the railway committee, and a few days ago a bill came before the House. This short line represents the extension of the Canadian National railway to serve that part of the area which it was agreed they should serve. This territory will be fairly well served as a result of the arrangement made. Possibly in the future some further mileage may be required in addition to the line now proposed, but we can best decide that after the details have been worked out as a result of construction.

Mr. CAMPBELL: It is important to avoid duplication which, whether the road be built by a private company or by the government, must hurt us nationally. In this instance I should prefer to have seen all that particular territory served by the Canadian National because it is a rich district and the revenue would be considerable. However, it is much more desirable to have an arrangement between the two companies so that there may be no duplication, rather than have the two lines closely paralleling each other, as they would have done had the whole territory been intersected by both.

Mr. GARDINER: What is the average distance between the present main line of the Canadian Pacific and the main line of the Canadian National?

Mr. DUNNING: It is hard to average the distance over the area inasmuch as it varies considerably, as hon. members of the railway committee will remember after having seen it illustrated on the map. Speaking offhand, however, I should think that the maximum distance between the two roads in a direct line would be about forty miles, which probably would narrow down in some places to about thirty-five miles. My hon. friend (Mr. Campbell) is fairly familiar with the territory and will confirm that statement.

Mr. EVANS: There are two areas there which need railway service, one north and one south of the Canadian National main line. One would have thought that the natural thing to do would be for the Canadian Pacific to take one territory and the Canadian National the other, but instead of that a ridiculous arrangement is made between the two companies. Both go into the same territory and encroach on each other, and the people are not served as well as they would be if one railway went right through. It seems to me that this is a problem which will become graver as time goes on, and I do think that throughout Canada, but particularly in the west, some arrangement should be arrived at whereby a committee of experts might lay out the territory for all new railways to be built from now on, indicating where lines are needed and wherein the service can be given most

economically. Anyone taking a casual view of the matter must conclude that it is a childish thing for the two railways to be quarrelling over some small bit of territory when so much railway accommodation is called for in other parts of the country. I cannot see why the Canadian National should not have taken the territory north of the main line and the Canadian Pacific the part south. As I say, the people would have been better served and it would have been more economical.

Mr. CAMPBELL: There is a real difficulty in this district, as my hon. friend (Mr. Evans) has indicated. As one looks at the lines on the railway map it certainly seems ridiculous to allow the Canadian Pacific to get in a little loop there which appears to be directly in the route of the Canadian National branch line from Willowbrook, but I presume under the circumstances that the department must consider the interests of both railways and divide the territory between them accordingly. This again brings to mind the difficulties with which we are confronted and with which we will always be confronted until a solution is found. I know that the suggestion that the Canadian Pacific railway be nationalized will be laughed at in this House and almost everywhere throughout the country to-day, but to my mind it is the only practical solution of these troubles. At some time in the future, it may be twenty-five years from now, this House will have to face that situation.

Section agreed to.

On section 6:

Mr. CAMPBELL: In regard to this paragraph it would seem that the objective of this branch is the Hudson Bay railway, because it touches the Prince Albert branch at a point I would judge to be twenty-five or thirty miles west of Hudson Bay Junction. Is that on account of engineering difficulties, or is it not the objective of this branch to connect that country with the Hudson Bay railway and if so why does it not connect at the junction itself?

Mr. DUNNING: This branch will run from a point near Sturgis to a point between Crooked River and Mistatim, and is desired by the management of the railway apart altogether from the partial link it would provide with the Hudson Bay railway; it is desired for operating purposes largely. In fact it will have a three-fold purpose; it will be part of a line from Sturgis to Hudson Bay Junction, as indicated by my hon. friend, and will thereby open up a large area of good agricultural land; then it will provide railway transportation to the soldier settlement south of Prairie River. The main feature, however, is to provide a shorter and better through route for the business of the Melfort and Prince Albert districts to Winnipeg and the head of the lakes. It is estimated that the saving on through traffic by this route would amount to $48,000 per year in operation.

Mr. CAMPBELL: There is another difficulty which I might mention in connection with this branch. Hon. members will recall that in 1924 a bill passed this House providing for a branch from Kelvington to a point about Tisdale, on the Prince Albert branch. When the bill was thrown out by the Senate the Canadian Pacific Railway immediately started work on a branch from Sheho, running from ten to twenty miles west of the proposed branch of the Canadian National Railways. A lot of the country through which the Canadian Pacific railway line runs is a rather swampy and bushy district, and the villages contained therein are very difficult of access. To the east of that line, along the proposed route of the Canadian National branch line, there is an excellent farming country; I think it no exaggeration to say that there is no finer or more productive piece of agricultural country in western Canada than will be found in the district between Kelvington and Tisdale, and it is nothing short of a tragedy that this particular branch line was turned down at that time. Of course I hold the government partly responsible for this, because I think they should have gone on with that work by providing the necessary amount in the estimates. A great many people went into that district when the line was surveyed expecting the branch to be constructed in due time, and even after the resolution appeared on the order paper here a great many people moved in and took up residence in that particular district. The rejection of the proposed line has left these people in a very unfortunate position; hundreds of them have moved off the land while others are remaining and trying to farm under great difficulties, hauling their grain very long distances to the railway. May I refer particularly to the district around Perigord, and I think the hon. member for Provencher (Mr. Beaubien) will endorse what I have to say, because he is familiar with that district. It is one of the finest districts that can be found in western Canada, and is an exceptionally rich agricultural country. People went in there, broke up large areas of land and built good houses

anticipating that a branch line would be built. but to-day they are obliged to haul their grain from twenty to twenty-five miles. These people are left in a position where they hardly know whether to carry on or whether to move out. They are still hoping that at some time in the future this original branch line will be constructed, and are holding on in that hope. I may say that the branch line now under consideration will take in the northern part of that territory which would have been served by the original branch line, and will perhaps limit the chances of these people to get another branch line at some future time. Of course I am speaking without knowledge of the engineering difficulties and other conditions, but ordinarily if this branch had been built to connect directly with Hudson Bay Junction it would have served what I believe was one of its original purposes. That is, it would have opened up all that country south of the Hudson Bay railway and would have left a sufficiently large area to be provided with a further branch line at some future time. I do hope that when this line is built it will strike the main line at a point further east, if there are no engineering or other difficulties in the way.

Mr. DUNNING: I should say a word or two in connection with the matter my hon. friend from Mackenzie (Mr. Campbell) has just referred to. This branch is in his own constituency, and he knows it very well. He also knows, of course, that for a number of years before I had the honour of occupying my present office it was my duty in a former capacity to make representations to the railway authorities with regard to the area which he mentions, more particularly the Perigord and Farmingdale districts. I am now in the position of putting before this House what the management of the Canadian National Railways recommends, after duly considering the very many branch line proposals from one end of Canada to the other. With regard to the line now under discussion, which does not serve the Perigord and Farmingdale districts, I might say that the management of the Canadian National Railways have been endeavouring for many years to secure a route across from the Melfort-Prince Albert line to the Swan river line, which would offer operating advantages superior to the route around the big loop by Hudson Bay junction. This line has been chosen largely because it offers these operating advantages which could not be obtained by a line running straight north from Kelvington. I would also point out that the soldier settlements south of Prairie River and Mistatim are at present in quite as difficult a situation as the Perigord and Farmingdale districts, and it was impossible to so plan this line as to serve at one and the same time those soldier settlements and the Perigord area; that proved to be impossible. I can only say with regard to the Perigord proposal that the management does not recommend it at present. I have here some notes respecting applications which have been made during the last two years; I am afraid it will take too long to place on Hansard the detailed information involved, but I will be very glad to communicate to my hon. friend, who is of course the only member directly interested, the report of the president with respect to the whole matter, which takes up some four pages of my notes. Perhaps my hon. friend would be satisfied with that.

Section agreed to.

Mr. CAMPBELL: May I ask with regard to paragraph 7 just how the railway contemplated there will run with respect to the C.P.R. branch line? I think there is a branch connecting with the next town of Tisdale. Would not the branch proposed here closely parallel the Canadian Pacific railway?

Mr. DUNNING: My hon. friend is in error when he says that Tisdale is the next station. He is not apparently as familiar with the area in question as I thought he was.

Mr. CAMPBELL: I might say that I was studying the Canadian National railway folder, but I realize there are flag stations in between that are not mentioned there. It is only the largest stations apparently that are mentioned on this map.

Mr. DUNNING: Well, the Canadian National railway does not want to run any chance of losing the Carrot valley area. That is a plain answer to the question. We are getting in there in what is deemed to be the most economic and satisfactory way, and the Canadian National will be some eighteen miles distant from the Canadian Pacific railway if my memory serves me correctly.

Mr. CAMPBELL: Would the branch run in a northerly direction?

Mr. DUNNING: Straight north.

Mr. CAMPBELL: I understand now. In that case it would not be paralleling the Canadian Pacific railway. In this particular instance I want to commend the minister, and the board of management of the Canadian National Railways for aggressively pushing the railway into this territory because the Canadian Pacific are trying to get there. They have been building into that territory, which

is exceedingly rich in character, and branch lines of this nature will be very valuable feeders to the main line.

Mr. MacNUTT: Did I understand the minister to state that the only railways presented to the House in this three-year program are those railways recommended by the Canadian National Railway management?

Mr. DUNNING: With the single exception of item 12, which I will deal with when we come to it.

Section 7 agreed to.

On section 8.

The CHAIRMAN: This paragraph has been amended and in its amended form will read as follows:

From a point on the Canadian Northern railway near Shell Brook to a point in township 50, ranges 14 or 15, west of the third meridian, in the province of Saskatchewan, estimated mileage 77.0; average expenditure per mile, $32,207; estimated cost $2,480,000.

Mr. GARDINER: What is the explanation of the amendment?

Mr. DUNNING: I have a communication from the president, regarding this. It is to hook up with the Turtleford line.

Mr. GARDINER: To complete the road through?

Mr. DUNNING: Yes.

Mr. GARDINER: From Haffard through?

Mr. DUNNING: No, the Haffard proposal is another one which we will come to in a moment.

Section as amended agreed to.

Sections 9, 10, and 11 agreed to.

On paragraph 12.

Mr. CAMPBELL: May I ask the minister in what direction this line is running?

Mr. DUNNING: I will send my hon. friend the map right now.

Mr. GUTHRIE: As I understand it, this paragraph refers to a line of railway which has not been recommended directly by the board of management. Will the minister explain this proposal?

Mr. DUNNING: This is a branch in northeastern Saskatchewan to link up the Hudson Bay railway with the southern lines of the Canadian National railway system. I should like my hon. friend from Mackenzie to lend the map I sent him to the leader of the opposition.

[Mr. Campbell.]

Mr. CAMPBELL: When this particular line gets in there it will give direct communication with the Hudson bay to the south country.

Section agreed to.

Sections 13 and 14 agreed to.

On paragraph 15.

Mr. PRICE: Reverting to section 2, I should like to ask the minister what he expects to find at the terminus of this Grand Mere railway. It is to have a mileage of 7.9 miles, the estimated expenditure is $213,038 per mile and the total estimated cost $1,683,000. I should like to know if there is a gold mine at the end of the railway. I have heard and read of considerable expenditures for railways but I never heard of anything like $213,000 per mile unless it was through a flint cut or embodied something additional in the way of bridge construction. Cannot the minister tell us something with regard to the reasons for this enormous expenditure and also what will be found when the railway gets in there?

Mr. DUNNING: I do not think my hon. friend could have been in when we dealt with this matter before. There is a gold mine involved in this proposition but not the kind of gold mine my hon. friend has in mind. The gold mine involved is by way of reduction in operating expenses. Even if this expenditure is very large it will be more than justified by the saving in haulage costs. It makes it possible, as I indicated before, for us to double our westbound load coming into Montreal, on this particular short line cut-off. It is very expensive construction and I have already promised to get absolute details of how the cost is made up. But it reduces our gradients from 1½ per cent to 6/10 of one per cent in that area, and makes it possible for us to double our trainloads.

Mr. PRICE: Another point to which I should like to draw the attention of the minister is this: Can the treasury stand a program of such enormous expenditures? I wish to point out to the minister in all seriousness that this money which is being expended is being expended largely in one portion of Canada—you have nothing there for the expansion and development of eastern Canada. Surely you can devote a few hundred thousand dollars of the money which is being expended in colonization to expenditure in eastern Canada. Hundreds of thousands of dollars are being spent in the west for hotels that are losing enormous sums yearly. The minister may shake his head but I affirm that they are. Their operation is improving a little, and I

am very glad of it, but in 1924 the Fort Garry hotel in Winnipeg lost $193,000 without allowing for depreciation or interest on the money. Other items of the same kind may be cited. I wish to remind the minister that people in eastern Canada expect some development and wish to see a portion of the money which is being expended in other directions spent in their neighbourhood.

We hear a great deal about summer resorts. The Canadian National spend enormous amounts of money on Jasper lodge and in other portions of western Canada. In my constituency in the town of Shediac there is one of the finest summer resorts in Canada to-day where everything can be had in the way of sea food, oysters, lobsters, and all kinds of fish during the proper season. There is an opportunity to build a hotel there. If money must be spent on hotels, let us have some of these expenditures in eastern Canada. Let us have an opportunity to develop along with the rest of Canada. Let us feel the pulse beat of development as it is felt in other parts of the country, and let our Canadian National railways be a credit to the people of the whole of Canada and have a tendency more than they have had in the past to develop our country and to make us all feel that we are going along, working together, to make an united Dominion.

This railway proposition is a mighty one; it is a hard thing to handle; but I believe it can be used as an agency for greater development in Canada than we have had in the past and for bringing about a much better feeling among the people, the east and the west. I would earnestly urge the minister to see to it that his department of colonization endeavours to make a more thorough investigation into maritime problems and to see if some way cannot be devised to remedy conditions as they exist there to-day. The maritime provinces are anxiously waiting for action on the Duncan report, and the government of to-day is on trial as to what is going to be done to remedy the disabilities of the maritimes. I trust the Minister of Railways as well as the other ministers of the government are giving serious consideration to the situation as it exists because the people of the maritimes are much in earnest at the present time. They feel that they have borne the burden more heavily than any other portion of Canada. They feel that they have spent hundreds of thousands of dollars in the development of other portions of the country with very little or no return. I would ask the minister and the other ministers of the government to consider the situation seriously and see if something cannot be done to improve conditions in the maritime provinces.

Mr. DUNNING: I do not want to drift into a discussion on maritime rights and I will not follow my hon. friend along that line. In so far as his remarks relate to this program, may I point out that it is recommended by the management and board of directors of the Canadian National as being in the best interests of the success and prosperity of the National system of lines; that on the board of directors and management there is a considerable majority of eastern Canadians, and to create the impression, as my hon. friend's remarks undoubtedly would whether he so intended or not, that some special privilege was being extended to western Canada through this program is, I can assure him, entirely wrong. The board of directors is composed very largely of men from eastern Canada. There are only two from west of the great lakes. As everyone in this House knows, the management is certainly not western in any sense of the word.

Mr. PRICE: There is one from the maritime provinces, Mr. Lodge. I do not know of any other.

Mr. DUNNING: Perhaps my hon. friend and I do not understand each other. Evidently when my hon. friend was referring to eastern Canada he was not using the term in the same sense that I am using it now. When I speak of eastern Canada I mean that broad division lying east of the great lakes. My hon. friend evidently meant the maritime provinces when he spoke of eastern Canada and therefore to that extent I misunderstood him.

While the criticism may be urged that this development program so far as it relates to branch lines is largely in western Canada, I would again point out to the committee that the great privately-owned corporation, who are certainly not playing favorites, who are looking after the shareholders of the Canadian Pacific at all times, are looking after this part of Canada which we are dealing with in this resolution. That proves that it is good business.

With respect to hotels, might I point out that last year during the hectic period which we had in this House, representations were made to me by the Hon. E. M. Macdonald, and I believe also by the present member for Pictou (Mr. Cantley) with respect to a hotel in the maritime provinces, at Pictou, if my memory serves me aright? That matter was investigated by the Canadian National management; they recommended its purchase, and to-day it is a Canadian National summer hotel.

Mr. PRICE: On a very small scale.

Mr. DUNNING: I presume so. But, like Jasper Park, if it pays, you can depend upon the management extending it in proportion to the patronage it receives. The Canadian National railway management is on the job as regards improving facilities which bring in revenue to the National lines.

Mr. MacNUTT: I very much regret speaking in a sectional way in dealing with this railway branch line program now before the House, but I confess I was disappointed when this project was brought down. This was largely the reason of my question to the minister this afternoon when I asked if only branch lines suggested by the management were submitted to the House. I had reference particularly to the Guysborough railway. While the representative from that constituency is not in his seat I am sure that railway has the sympathy of the present management of the Canadian National system. I was glad that the minister this afternoon stated to the committee that the door was not closed for the next three years in relation to additional railway lines.

Mr. DUNNING: And if it was, I can assure my hon. friend that the present member for Antigonish-Guysborough (Mr. Duff) has told me that, if necessary, he intends to break the door open.

Mr. MacNUTT: I am glad to hear that. The minister made some reference to the new bungalow hotel system as it was introduced in that province. I can assure him that unless some change is made in the management there, that hotel will not show the government a profit. I know this is not the place to take that matter up and I merely make that remark in passing.

Mr. DUNNING: I wish my hon. friend would give me the information privately with regard to that and I will bring it to the attention of the management.

Mr. MacNUTT: Thank you. Having been a resident in the county of Guysborough for some eight or ten years and being thoroughly familiar with the topography of that county, I can assure the minister that from my knowledge, notwithstanding reports that have been made to this House in days gone by by some supposed engineers, that railway is going to prove profitable, and I am glad the minister has stated that the door is yet open for bringing down a bill in connection with it.

Mr. BEAUBIEN: Is it not the case that when the branch line railway proposition mentioned by the hon. member was before the House, the Right Hon. Mr. Graham being then Minister of Railways, the only opposition to it came from the other side of the House; that with all that opposition the bill was passed in this House, and that it was thrown out by the Senate?

Mr. DUNNING: I think that is correct.

Mr. GARDINER: Before the resolution is reported I would like to make a few observations on the program and also to secure some information from the minister. I have no objection to any item in the program now before the committee. The greatest objection I have to the program is that it is not large enough. It is quite true the Canadian National board may think it is sufficient for the present time, but there are other railway projects very much needed in western Canada, and which should, in my judgment, be included in this program. First, I should like to get some information from the minister with reference to what is known as the joint section from Rosedale to Bullpound Creek. This passed the House three years ago. It is a joint section to be built by the Canadian Pacific and the Canadian National. I understand that there is some agreement between these two companies with regard to this joint section, and that the appropriation will run out some time in June, I think. I would ask the minister whether any provision is going to be made for the payment of the half share of the Canadian National in the construction of this joint section.

Mr. DUNNING: Perhaps my hon. friend would postpone his question, because I expect to bring down a bill shortly providing for an extension of time with reference to that particular project. The agrement, as he says, expires this summer, but in August, not June. When the bill comes down I shall have full details of what it is proposed to do in connection with the matter, but I have not those details here now as this is not one of the lines now being dealt with.

Mr. GARDINER: Can the minister inform the committee whether the agreement between the two railways is completed and signed.

Mr. DUNNING: I have the following note:

The respective railways proposing to undertake this joint section concluded not to proceed with the work, and therefore nothing has been done up to the end of the year 1926. An extension of time for the completion of this line is

being asked for at this session of parliament, and if granted it is estimated that the majority of the half cost, amounting to $915,000, will be expended during the year 1927.

I have no information as to whether the joint running agreement has yet been signed, but certainly negotiations are going on.

Mr. GARDINER: There are one or two other branch lines to which I should like to direct the attention of the minister. When the last branch line program went through this House, provision was made for the extension of what is known as the Biggar-Loverna line. I know that many petitions have come from the district concerning this railway, and they have been forwarded not only by the people directly, but through myself personally. We were naturally expecting that the short distance required to link this up with the Canadian National railway and make a through railway project would be provided for in this year's program. I should be very glad to know if the minister has any information that he can give to the House as to the reason why this particular construction is not going to be proceeded with. During the last few years many of the people left the district traversed by this particular railway, but since the portion was completed and put in operation last year many of the old residents have come back, and the development that has taken place there in the last two years is enormous. So this particular line at least is assured of a much higher tonnage than could have been expected when the line was first extended from Loverna westward. Does the management intend to ask for power to build this line in the near future, or what recommendations has the minister from the management in regard to it?

Mr. DUNNING: The line is not included in the program before the House, and it is not the intention to introduce legislation regarding it at this session, because it has not been recommended to the government by the management of the Canadian National Railways. I am afraid in that regard I cannot add anything to what the president informed my hon. friend under date of January 12. The people of this area and, indeed, in all the others—there are very many of them; I have here a whole file of requests for branch lines in all parts of Canada which have not been included in the program now before the House—to the people of each district I would say that they have the opportunity of convincing the management of the Canadian National Railways that the line in question is a sound proposition from the point of view of the Canadian National and should be recommended by them to the government. That is all I can say to my hon. friend, who I think is familiar with the position in that regard, and desires to have it as a matter of record.

Mr. GARDINER: There is another railway in that district further south, known as the Eyre-Acadia valley line. This was built in connection with the joint section from Rosedale to Bullpound. The grade was built in the year 1921, and only something like twenty miles of steel has been laid from Eyre to Acadia valley. There were from twenty to twenty-five miles of grade built in 1921, on which no steel has been laid. The people feel that once the grade has been built, in view of the smaller cost of laying the steel upon the line, the steel should be laid at an early date, in order that the people in that district may have the transportation facilities they have been expecting for some years. A problem has loomed up, however, in the last year or two. It was contemplated in 1919, when the joint charter was given to the Canadian Pacific and the Canadian National, that the Canadian Pacific would proceed in an easterly direction from Bullpound towards Empress. I understand, however, that the Canadian Pacific have virtually given up the idea of building that particular line, and consequently the other question crops up, that in order to give the people close to the Red river the service that is very requisite, it might be desirable to re-survey the whole project from Acadia valley to Bullpound. I do not know whether the minister has any notes or recommendations from the management in regard to that or not, but if he has, I would like to know what is contemplated.

Mr. DUNNING: As my hon. friend knows, this matter is under investigation by the management at the present time, and there is involved in it also negotiations with the Canadian Pacific with respect to the Rosedale-Bullpound line. I should like to say for the information not only of my hon. friend, but of the committee in general that the assumption that the grading represents the major cost in building a line of railway is not correct. The steel and ties and labour, after the grading is done, are far, far more expensive than the cost of building the grade in the first place.

Mr. GARDINER: There is another matter. I have received many petitions from the western portion of Saskatchewan, from people in the Rosenheim district. There is at present in existence a Canadian National line from

Edmonton to Alliance, and the people in the western portion of the province of Saskatchewan have been asking that this particular branch line be extended in an almost easterly direction to join up with the National system at Unity. When this line was first contemplated it was supposed to be a short route from Edmonton to the United States. I would like to find out from the minister what is the ultimate destination of the Edmonton-Alliance line in order that we may acquaint the people of that district as to what they can expect from this particular railway?

Mr. DUNNING: I regret that I cannot give any further answer on behalf of the management with respect to this proposal than I was able to give with respect to the former one. I would like to express appreciation of the readiness of members of the committee on both sides to accept fully the position that in matters of this kind it is necessary, for those affected, including members themselves, to convince the management of the Canadian National that their proposal is one which should be undertaken. I particularly appreciate that because I know there are many men on this side of the House, as well as the other, who should to-day be placing something on Hansard for the benefit of their constituents, but who are refraining from so doing, knowing full well that they must deal with the management of the Canadian National Railways in the first instance.

I regret that I cannot say anything more with respect to other branch line proposals. If I had the information as to the intention of the management I would be glad to give it, but I do not have it before me in any of these particular cases, because these matters are still under consideration by the management.

Mr. GARDINER: I suppose when the bill is before the committee some of the officials will be there to give us important information to clear up some of the matters upon which we have no information?

Mr. DUNNING: I will undertake to have before the railway committee all of the officials concerned with the operation of the road whose work would even remotely touch the matters under consideration. I would, however, point out to my hon. friend that under such circumstances officials of the Canadian National have not authority to commit the management, or the board of directors, but it may be possible to secure from them information with respect to projects which are not included in the present branch line program.

[Mr. Gardiner.]

Mr. SMITH (Cumberland): The minister will recall, I think, that last year, when the railway estimates were under consideration by the committee, I called attention to a small line branching off the Canadian National railway at Maccan, in Nova Scotia, running to the town of Joggins on the bay of Fundy. It is owned by a private company, the Maritime Coal, Railway & Power Company Limited.

Mr. DUNNING: Is that Joggins?

Mr. SMITH (Cumberland): Yes. This road and its equipment are in a deplorable condition. The road serves a country very rich in coal, agriculture and timber. The citizens living in this section have made repeated demands for better service and have not met with any success in that direction. The minister last year promised some consideration with regard to the proposed absorption of this line by the Canadian National Railways. It is very difficult to bring the matter to the railway board other than through the medium of this House, as I understand it. And considering the fact that there is to be an expenditure of $20,000,000 for a program of railway construction covering three years, most of which is going to other parts of Canada, I think that this is one railway service in the east which should be given some attention by the Minister of Railways, and I would ask him if he has investigated this project, and with what result?

Mr. DUNNING: I hope this is not a preliminary to what might easily happen; that is that members from other parts of Canada where there are some privately owned railways, or some lines of railway not now owned by the Canadian National, will endeavour to get us to take over their particular lines. One of the greatest difficulties in connection with the Canadian National system at the present time is the number of lines here and there over Canada, which are not now owned by the Canadian National system, but by the provinces in some cases, and in the majority of cases by private corporations, which are desirous of selling their property to the Canadian National system.

I do not want to enter into a discussion, of the problems in the maritime provinces and eastern Quebec which are involved in considerations of that kind. I can only say that the Joggins line is a small, small part of a very great problem, and I can assure my hon. friend that the Joggins line will not be lost sight of when we are considering means of dealing effectively with the much larger problem involved. I see that my hon. friend from

Bonaventure (Mr. Marcil) is chafing at the bit just now. He wants to tell us what should he done with respect to the Gaspe railway, and I say that the railway situation at Joggins is nothing compared to what may be said with reference to Bonaventure, or what the hon. the Speaker might have to say with respect to the situation in the Gaspe peninsula. These are not the only ones. This matter represents one of the problems we have not yet solved, I frankly admit it is difficult to deal with, and I do not think it will be helped by attempting to deal with one of the many smaller propositions. We must look at it as a general problem, as relating to a very large section of the maritime provinces particularly, and also eastern Quebec.

Mr. LAVIGUEUR: Has the minister considered the Lake St. John railway proposition?

Mr. DUNNING: The Lake St. John proposition has already been before the committee.

Mr. BOWMAN: Is this the complete program for the next few years, or is it open to further extension? I desire also to ask, if this is the entire program recommended by the Canadian National Railways, or have some of the recommendations been turned down by the government?

Mr. DUNNING: None of them has been turned down. With reference to the three year program, we are endeavouring to so plan the addition to capital expenditure of the Canadian National as to keep well within bounds. Naturally in so doing it is advisable to endeavour to budget for a considerable period ahead and to hold down capital extensions to the system, except where they are demonstrated as being both necessary and good from the point of view of revenue. In saying that I do not mean to imply that we intend to come down each year with a new three-year policy of extension. As far as we can now foresee, this is our program for the next three years, but in connection with such a great system it would be absurd to take the ground that we will not at the next session of parliament introduce any branch line legislation, but broadly, this is our program for the next three years.

Mr. BLATCHFORD: Is there any possibility of the Canadian National Railways reconsidering the survey of the Ashmount branch? A delegation from the district has been in the city for the past ten days asking that the branch be built through and out of St. Paul de Metis. St. Paul is one of the oldest settled districts in northern Alberta, and they consider that this branch should be built.

Mr. DUNNING: That question and others of a like nature must be dealt with before the select standing committee on railways and canals. The parties to whom my hon. friend referred will have an opportunity of presenting their views before that committee, and my hon. friend as a member of that committee will have an opportunity of examining the officials of the road with reference to the route which they propose to take in connection with the proposed branch.

Resolution reported, read the second time and concurred in.

CANADIAN NATIONAL RAILWAYS

BILLS PROPOSED TO AUTHORIZE THE CONSTRUCTION OF BRANCH LINES—ST. FELICIEN-HEBERTVILLE

Hon. CHARLES A. DUNNING (Minister of Railways and Canals) moved for leave to introduce Bill No. 124 respecting the construction of a Canadian National railway line between St. Felicien and Mistassini river and between Hebertville and Savanne Falls, both in the province of Quebec.

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

GRAND MERE

Hon. CHARLES A. DUNNING (Minister of Railways and Canals) moved for leave to introduce Bill No. 125, respecting the construction of a Canadian National railway line from a point near Grand Mere on the Canadian Northern Quebec railway.

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

PILKINGTON—NIAGARA JUNCTION

Hon. CHARLES A. DUNNING (Minister of Railways and Canals) moved for leave to introduce Bill No. 126, respecting the construction of a Canadian National railway line between Pilkington and Niagara Junction in the province of Ontario.

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

WEYBURN—RADVILLE

Hon. CHARLES A. DUNNING (Minister of Railways and Canals) moved for leave to introduce Bill No. 127, respecting the construc-

tion of a Canadian National railway line between Weyburn and Radville in the province of Saskatchewan.

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

WILLOW BROOK NORTHWESTERLY

Hon. CHARLES A. DUNNING (Minister of Railways and Canals) moved for leave to introduce Bill No. 128, respecting the construction of a Canadian National railway line between Willow Brook and Township 27, Range 9, in the province of Saskatchewan.

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

STURGIS—PEESANE

Hon. CHARLES A. DUNNING (Minister of Railways and Canals) moved for leave to introduce Bill No. 129, respecting the construction of a Canadian National railway line between Sturgis and Crooked River and Mistatim in the province of Saskatchewan.

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

CROOKED RIVER—MISTATIM-TOWNSHIP 48

Hon. CHARLES A. DUNNING (Minister of Railways and Canals) moved for leave to introduce Bill No. 130, respecting the construction of a Canadian National railway line between Crooked river and Mistatim and Township 48 in the province of Saskatchewan.

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

SHELL BROOK—KILWINNING

Hon. CHARLES A. DUNNING (Minister of Railways and Canals) moved for leave to introduce Bill No. 131, respecting the construction of a Canadian National railway line between Shell Brook and Kilwinning and Township 50 in the province of Saskatchewan.

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

TURTLEFORD-HAFFORD-RICHARD

Hon. CHARLES A. DUNNING (Minister of Railways and Canals) moved for leave to introduce Bill No. 132, respecting the construction of a Canadian National railway line between Turtleford and Hafford and Richard in the province of Saskatchwan.

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

SPRUCE LAKE WESTERLY

Hon. CHARLES A. DUNNING (Minister of Railways and Canals) moved for leave to introduce Bill No. 134, respecting the construction of a Canadian National railway line between Spruce Lake and Township 53 in the province of Saskatchewan.

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

KINDERSLEY-GLIDDEN

Hon. CHARLES A. DUNNING (Minister of Railways and Canals) moved for leave to introduce Bill No. 133, respecting the construction of a Canadian National railway line between Kindersley and Glidden in the province of Saskatchewan.

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

HUDSON BAY JUNCTION

Hon. CHARLES A. DUNNING (Minister of Railways and Canals) moved for leave to introduce Bill No. 135, respecting the construction of a Canadian National railway line between Hudson Bay Junction and Townships 39 or 40 in the province of Saskatchewan.

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

ELK POINT EASTERLY

Hon. CHARLES A. DUNNING (Minister of Railways and Canals) moved for leave to introduce Bill No. 136, respecting the construction of a Canadian National railway line between Elk Point and Township 55 in the province of Alberta.

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

ASHMONT-BONNYVILLE

Hon. CHARLES A. DUNNING (Minister of Railways and Canals) moved for leave to

introduce Bill No. 137, respecting the construction of a Canadian National railway line between Ashmont and Bonnyville in the province of Alberta.

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

BRETONA-CLOVER BAR

Hon. CHARLES A. DUNNING (Minister of Railways and Canals) moved for leave to introduce Bill No. 138, respecting the construction of a Canadian National railway line between Bretona and Clover Bar in the province of Alberta.

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

JUDGES ACT AMENDMENT

ADDITIONAL JUDGE, SUPREME COURT—RETIREMENTS, SUPREME AND EXCHEQUER COURTS

Hon. ERNEST LAPOINTE (Minister of Justice) moved that the House go into committee to consider the following proposed resolution:

Resolved, that it is expedient to amend the Judges Act, chapter 138 of the Revised Statutes, 1906, to provide:—

1. That a salary of $12,000 per annum be granted for one additional judge of the Supreme Court of Canada;

2. That on his attaining or having attained the age of seventy-five years, any judge of the Supreme Court of Canada or of the Exchequer Court of Canada may be granted an annuity equal to that which he would then have been eligible to receive if this legislation had not been passed and if he had at that time resigned his office.

3. That if the said Judge be not then eligible for the grant of an annuity, and was appointed before the passing of this legislation, or if he was appointed after the passing of this legislation and has continued in office for at least ten years, he may be granted an annuity equal to two-thirds of his salary at the time he ceased to hold such office.

Motion agreed to and the House went into committee, Mr. Johnston in the chair.

Mr. LAPOINTE: This resolution precedes the introduction of three bills; one to amend the Supreme Court Act, another to amend the Exchequer Court Act and the third to amend the Judges Act. The first clause of the resolution provides for the granting of a salary for one additional judge of the Supreme Court of Canada. The two other clauses of the resolution, which have been prepared by the officers of the House from copies of the bills which have been supplied to them, provide for the retirement of the judges of the Supreme Court or of the Exchequer Court of Canada when they have reached the age of seventy-five years. These are the financial arrangements to supply them with a pension to which they would otherwise be entitled.

Mr. BOYS: Is that voluntary retirement?

Mr. LAPOINTE: No, they would cease to hold office at the age of seventy-five years. These two changes are made for the same reasons. The Supreme Court of Canada is the highest tribunal of the land and it is of the utmost importance that it should have and retain the confidence of the people and be maintained in the highest state of efficiency. When the Supreme court was established and constituted the number of judges was the same as it is to-day—six, one chief justice and five puisne judges. Since then the country has developed tremendously and the importance of the cases to be decided is much greater. While geographical conditions should not be considered in the appointment of judges, because the best possible men should be appointed to the Supreme Court of Canada, there is one exception, namely that two judges will always be members of the bench or bar of Quebec, familiar with the civil law and procedure of that province. Apart from that there is no geographical condition mentioned in the act. I must say, however, that since the creation of the court such considerations have been taken into account in making appointments; there is one judge usually supposed to be a member of the bar or bench of one of the maritime provinces; two come from Quebec; two have usually been appointed from Ontario and one judge is usually appointed from the bench of British Columbia. The prairie provinces were not then developed as they are to-day, and up to the present there has not been a judge from either the bar or the bench of any of those provinces. It has happened quite frequently that when one or two judges are sick or unable to sit, or when some of them are disqualified through having already given an opinion on the matter submitted to the court, the chief justice has been compelled to ask a member of another court, either from Ontario or Quebec or some other province, to sit as a member of that tribunal. It has been represented to me many times that that does not make for the full efficiency of the court, and that litigants who come from all parts of Canada and who spend a considerable amount of money to secure the decision of the highest court of the land are entitled to have their cases heard and decided by judges having the standing of the Supreme

Court of Canada. This is also the practice prevailing in other countries; the Supreme Court of Australia consists of seven judges, the exact number we will have in Canada if this bill becomes law.

There is another consideration which applies to the provision making retirement compulsory at seventy-five years of age. Members of the bar come to argue cases before the Supreme court from distant parts of the country, and the court must be complete and well organized in order to hear these cases when counsel come to Ottawa for that purpose. Such cases cannot be adjourned except at considerable expense and to the disadvantage of the litigants and the members of the bar as well. These considerations apply as well to the other clauses of the bill making the retirement of the judges of the Supreme court and the Exchequer court compulsory at the age of seventy-five years.

Mr. BOYS: Does that mean the Supreme Court of Canada alone, or does it include the Supreme courts in the various provinces?

Mr. LAPOINTE: I will come to that in a moment. I notice that my good friend from Muskoka (Mr. McGibbon) has a resolution on the order paper asking that all judges should be retired when they reach the age of seventy-five years. I believe that under the British North America Act we have not the right to do that in the case of the judges of the high courts of Canada. The sections of the British North America Act dealing with the judicature are 96, 97, 98, 99, 100 and 101. Section 99 states that the judges of the superior courts shall hold office during good behaviour but shall be removable by the Governor General on address of the Senate and House of Commons. According to the enactment the tenure of the judges of the high courts of Canada is really a life tenure, and this parliament has no right to retire them compulsorily at any time during good behaviour.

Mr. McGIBBON: I grant that the contention is right in regard to existing judges, but what about appointments in the future?

Mr. LAPOINTE: I am afraid that we could not meet the wishes of my hon. friend unless we asked for an amendment to the British North America Act. We have the right so far as the Supreme court and the Exchequer court are concerned because of the provisions of section 101, which reads as follows:

> The parliament of Canada may, notwithstanding anything in this act, from time to time, provide for the constitution, maintenance, and organization of a general court of appeal for Canada, and for the establishment of any additional courts for the better administration of the laws of Canada.

The Supreme Court of Canada and the Exchequer Court of Canada have been created and constituted in virtue of section 101 of the British North America Act, which especially states that notwithstanding anything in the act, notwithstanding section 99 or any other section, parliament had the right, when creating the Supreme court, to state that the tenure of the judges should be a life one or only until a certain age. They did not make such an enactment then, but we have the right to do it now. That is why we are introducing this legislation. The provision does not go as far as my hon. friend from Muskoka would wish it to go, but I am afraid we have no jurisdiction to extend it to other courts than the federal courts, namely the Supreme Court of Canada and the Exchequer Court of Canada.

Mr. BOYS: While the minister is upon that point may I ask if there is any special provision in the British North America Act with respect to the retirement of county court judges? There was an amendment put through, if I remember correctly, in the year 1913 or the year 1914, providing for the compulsory retirement of county court judges upon reaching the age of seventy-five years. Is there any special provision in the British North America Act which provides for legislation of that character?

Mr. LAPOINTE: No.

Mr. BOYS: Is it suggested that such legislation was ultra vires?

Mr. LAPOINTE: No, not at all, but I would point out that section 99 applies only to the judges of the superior courts.

Mr. BOYS: And the Exchequer court?

Mr. LAPOINTE: No, the superior courts. We have no right to deal with judges of the superior courts to the extent of restricting their tenure of office, but there is no such provision applicable to the county court judges, who have not been considered as members of the superior or high courts.

Mr. BOYS: What I thought was that their commission appointed them for life subject to good conduct but subject to removal as a result of impeachment.

Mr. LAPOINTE: There is nothing in the British North America Act preventing us from dealing with the tenure of office of the county court judges, but section 99 prevents

us from dealing with the tenure of office of superior court or high court judges. That is where the distinction comes in.

Mr. BOYS: I have great respect for the views of the minister but I do not think that was the opinion of the Minister of Justice at the time I refer to. I remember this very matter coming before the House more than ten years ago, and I discussed that feature with the then minister, pointing out that if it was necessary to retire county court judges at seventy-five it was probably quite as necessary to retire judges of the Supreme court at the same age, because they would be just as likely to suffer from ill-health, infirmity or otherwise, as county court judges did and as they were required to deal with matters of far greater concern and importance than county court judges the necessity for compulsory retirement might be even greater. I recall that his answer to me at that time was that the matter was under consideration, and he hoped to deal with it. He did not say there was no jurisdiction.

Mr. LAPOINTE: Still the records of the department show that was the obstacle in the way of carrying the idea out with regard to the judges of the high courts or the superior courts. I was reading in the library that in the country to the south they have the same conditions with regard to their federal courts. The constitution of the United States enacts that the judges of these courts shall be appointed and remain in office during good behaviour, and the government has never been able, although it has tried in many instances, to make their retirement compulsory. The United States has endeavoured to deal with the situation by giving a pension equal to their full salary to judges who, having been in office at least ten years and reaching the age of seventy, desire to be superannuated. That was an invitation to them to retire, because they would have a pension equal to their salary; but experience shows that most of them preferred to remain on the bench, even though they were given the right to a full pension when they reached the age of seventy. Fortunately we have not the same obstacle to meet as far as our federal courts are concerned, and I have come to the conclusion, having not only consulted with but received suggestions from the members of the bar and I might even say from members of the judiciary themselves, that this is a good provision to enact. That is why I am introducing these bills.

Mr. McGIBBON: I desire to put myself on record as being opposed to all life appointments. I think they are bad—bad in substance and in fact. I might make the suggestion to the Minister of Justice that if the government is so anxious to reform the Senate it might put into effect an age limit just as in the case of the judges, and that would be something that would work to the benefit of Canada.

Mr. LAPOINTE: I would feel like agreeing with my hon. friend in that regard.

Mr. McGIBBON: Coming back to the subject under consideration I would say that the principle involved in life appointments is a bad one. There is no question about it in my mind. We could take any man in this House, place him in a position where he is responsible to no one, give him wide power, as we do, leave him there for twenty or twenty-five years, and then we should find in many cases that he was unfit to carry out the responsibility we had entrusted to him. In all kinds of life—animal, vegetable and human—there is a period of growth, development and decay. We cannot get away from that fact; and distasteful as the idea is to us, there comes a point in every man's life where he no longer has the maximum of efficiency. That is true not only physically but mentally. The Great war proved, for example, that people subjected to tremendous physical and mental strain were less efficient after the age of twenty-eight than before. They cannot come back, so to speak. That is true in all walks of life. It is true in the physical sphere. I have under my hand the ages of the men on the bench and they run 87, 75, and so on, for some six or eight of them. I say without hesitation, speaking as a medical man, that the time of maximum efficiency in their life had passed long ago. I know there are some exceptional men who are apparently brilliant at an advanced age, but if they are put to the test I say emphatically that they cannot carry out a sustained effort as they could some years ago.

All you have to do is to carry the knowledge a little further, to go into other spheres of life. For example, in this country there is hardly a university to-day that does not make it compulsory for its professors to retire at from sixty-five to seventy years of age. We have the same regulations in our civil service. In our railways men are retired at sixty-four or sixty-five years of age. We have the same thing in the army and in the navy. We have it also in business life for different reasons and causes. The people retire them and put younger men in their places. When the late Sir William Van Horne, I think it was, retired from the presi-

dency of the Canadian Pacific railway, I quite remember reading his statement that he was retiring in order to make way for a younger man, the late Lord Shaughnessy. The latter in turn retired and we have Mr. Beatty who, I believe, is only forty-eight years of age and who has been for a number of years directing that large corporation. I have in my hand a list that I copied from the Toronto Globe giving the ages of men at the heads of the large institutions of this country. Sir Henry Thornton is only fifty-eight. I think the Prime Minister of this country is only fifty-two or fifty-three, and the oldest minister in the cabinet is fifty-eight.

Mr. STEWART (Edmonton): No—sixty-eight.

Mr. McGIBBON: At any rate, the principle is that this is a young man's country; this is a young man's age, and when we stick to antiquated methods of leaving people in responsible positions, where they have great power such as they have on the bench, until they are eighty or ninety years of age, we are not doing justice to the country. Other countries are getting rid of this sort of thing. In Great Britain they are retiring county judges at the age of sixty-five. In the United States I believe judges are elected only for short terms. I would like to draw the attention of the Minister of Justice to this clipping—I do not know whether or not it is correct—from the Baltimore Sun of January 31. Speaking about the age limit for judges in the United States it says:

> Former Justice Charles E. Hughes, discussing the proposed seventy-year age limit for members of the Supreme Court of the United States—

So they must have a bill there to retire them.

> —agrees that a limit is proper, but he would raise it to seventy-five years for this court. Of course, any limit must be an arbitrary one, retiring at times judges competent to carry on their work; but there have been instances in this tribunal of the grave danger of permitting it to go on without any limit at all on the age of its members. Occasions have arisen not infrequently when justices who, everybody knew, were not in mental or physical condition properly to perform their duties were sitting in this court and, presumably, helping to frame opinions on questions of the greatest and most far-reaching importance.

This is something that is interesting the people not only of this country but of Great Britain and the United States. I would like to ask the Minister of Justice this question: Is there anything more absurd than to leave it to a man who is advanced in years to sit in judgment on himself as to whether or not he is fit to carry on? It seems to me that such a proposition is ridiculous. In the case of our judges we apply no age limit. We say to them that they may retire, but we allow them to decide whether they are fit or unfit to carry on. I recognize the difficulties which the Minister of Justice pointed out. I read the British North America Act and I thought section 99 would probably make this resolution unworkable. The proposition I want to make to the minister is this—

Mr. POULIOT: I rise to a point of order. In the orders of the day there is this notice of motion standing in the name of the hon. member:

> That, in the opinion of this House, it is desirable in the interests of the Dominion of Canada that all judges be retired on reaching seventy-five years of age.

I think the hon. member is discussing his motion rather than that of the Minister of Justice. Is that right?

Mr. McGIBBON: I think my remarks have been quite in accord with the principle of the resolution. The Minister of Justice admitted that. The only difference between the Minister of Justice and myself is this: I quite agree as regards everything he is doing only he is not going far enough to suit me. I also realize the difficulties in his way. As a layman I read the British North America Act and I thought I was up against section 99. But what I ask him to do in the interest of Canada is this: He told us last night that an inter-provincial conference was going to be held. A subject like this is not very controversial; certainly it does not override any provincial rights. Cannot this be taken up on that occasion so that we may get the consent of the provinces in order that next year the minister can bring in a bill to make this legislation workable?

Mr. LAPOINTE: I would certainly be pleased to submit the suggestion of my hon. friend to such a conference.

Mr. MILLAR: At a later date, when we come to the estimates, I hope to have something to say on pensions for judges and others. In view of that I would like to ask the minister for his justification of what I admit has always been the practice, namely, of giving large pensions to those who have been receiving large salaries, not to all, but picking out certain classes to which judges belong. What is the justification for giving two-thirds of the salary as an annuity?

Mr. LAPOINTE: It is the law at the present time, not only in Canada but in other

countries. Prior to three years ago, apart from the section which gives a pension of two-thirds of their salary to judges who had been fifteen years in office or who were afflicted with some disability, we had another provision which gave them the right to their full salary as a pension after a certain number of years of service and after they reached a certain age. This provision we repealed three years ago and no such pension is now being paid to the judges of Canada, although such a provision, as I stated in my main remarks, still applies in the United States. I think we are far from being more generous to our judges than other countries are. I might show to my hon. friend the resolutions I have received from bar associations and various other bodies in Canada complaining bitterly that the judges are not receiving a sufficient salary or a sufficient pension, and that the best men at the bar decline a judgeship on that account; but I do not think that we will ask for an increase this session. However, I really believe that the present scale of pension, especially when you compare it with what is paid in other countries, is justified.

Mr. MILLAR: I am afraid the minister has not answered my question. The minister would not justify it because it has been done here, or because it has been done in other countries. The salary the judges receive is probably less than an efficient lawyer can make, but at the same time the salary is still sufficient to enable the judge himself to provide for his old age. There must be other ground that the minister must take if he wishes to justify this. Would he not go a little deeper and attempt to justify it?

Mr. LAPOINTE: I must admit I would have to change the law and reduce the pensions, and my friend has not convinced me that I should do that.

Mr. ADSHEAD: I expected to see the hon. member for St. Lawrence-St. George rise to protest in righteous indignation against this resolution, just as he and the member for Toronto did the other night on the old age pension bill. Then he spoke of the wrongfulness of paternalism; of the desirability that people in Canada should be taught the very good lesson of thrift, to save out of their very meagre earnings sufficient to provide for their own old age; that they should not come upon this country as paupers and ask parliament to provide for them after they had passed the age limit for work. But I did not notice the hon. gentleman rise and apply the same principle in this case that he applied in the case of the old age pensions.

Mr. GEARY: May I ask which member for Toronto the hon. gentleman refers to?

Mr. ADSHEAD: He sits here. I do not know his constituency, but it is Mr. Hocken.

Mr. GEARY: He does not sit there.

Mr. ADSHEAD: That is the gentleman, at any rate—Mr. Hocken. Both those hon. gentlemen rose and emphasized that citizens of Canada who were getting the enormous sum of fifty or sixty or seventy cents an hour should be taught the lesson of thrift, should save something out of their meagre earnings in order to provide for their own old age, and not become indigents and paupers upon the country. Here we have gentlemen getting $12,000 a year, and nobody rises to say that they should be thrifty and provide for their own old age. Nobody says that they should not be granted a pension. In the other case there was considerable difficulty in getting a provision for a pension of even ten dollars a month, and then after the old age pensioner died the authorities took power to take over his house to recoup themselves. I do not see anything in this resolution empowering the government to take over the judge's house in order to recoup the country for the pension he receives in his lifetime. I am not exactly objecting to this resolution, but I do point out that the citizens of Canada who wield the hammer and the spade should receive a pension, and a comfortable pension just as much as these others, for their work is just as honourable and just as needful to the country as that of the judges who sit upon the Supreme court bench.

Mr. BOYS: Will the proposed bill in any way affect the quorum of the Supreme court or the quorum by consent?

Mr. LAPOINTE: No, it is not intended to affect that section of the act.

Mr. BOYS: I do not want to offer any observation which is going to interfere in any way with the efficient administration of justice in Canada. I realize the importance of the Supreme court, but I do not feel that the minister has made out a case for increasing the number of the members of the court. He has said very little to warrant an increase which is going to impose upon the country an additional burden of $12,000 a year. In my own province, and I presume it is the same in others, we have appellate courts. There are no extra judges for these courts, unless they are taken from the judges assigned to the trial courts, and if that is done, it has to be at the expense of efficiency in the trial court. At the present time, with

a quorum in the Supreme court of five—and I certainly think the judges should sit in an odd number, instead of an even, because it is desirable to have a majority decision—if the quorum is not being altered, I do not think the addition of one judge should be required. I do not know who it is that has asked for this legislation, whether it is the judges of the Supreme court themselves, because of the amount of work they have to do, but it would seem to me to be in order for the committee to be enlightened as to the number of cases that come before the court, to indicate whether the judges of that court have more work than can be conveniently attended to and have not sufficient time to properly study, consider and dispose of the cases that come before them. It should be demonstrated that they cannot under present conditions do their work satisfactorily. I happen to know that in my own province there is a tremendous congestion of business at times, and I believe there is even greater necessity there for an increase in number. I am inclined to the view that there is greater necessity for an increase in the number of judges who now have to take care of the work of the Supreme court of Ontario, and probably the other provinces, than there is in the number of judges of the Supreme Court of Canada. With a court composed of six, with a quorum of five, and a consent quorum of four—and the work has always been done well in the past—you will always have one extra judge, and perhaps two extra judges, to do the work of the court. I think the minister should show the committee some very substantial reason for putting the country to the expense of another $12,000 a year for all time to come, and that we should be given some information as to the number of cases the judges have to deal with, and other facts to indicate that they are not able to discharge their duties efficiently without being overworked, before we are called upon to vote this money.

Mr. CAHAN: At this hour, Mr. Chairman, I do not intend to discuss the resolution. There were several matters I should like to have discussed, but as there will be another opportunity on the second reading of the bill, I presume—

Mr. LAPOINTE: Yes. Perhaps my hon. friend would reserve his remarks for the second reading of the bill.

Mr. CAHAN: I think so, because I shall not be here this evening and would be unable to continue after six o'clock.

[Mr. Boys.]

Mr. LAPOINTE: I can give to my hon. friend from Simcoe the information he asks for when the bill is in committee.

Mr. HEAPS: Would the minister consider putting clauses in this old age pension scheme similar to those in the old age pension bill that we dealt with last week?

Mr. LAPOINTE: I shall have to look into that matter also.

Mr. GEARY: Would the minister also give the committee information as to how often the court is reduced in numbers owing to illness, if that is the important thing. I happen to know that it has been of a good deal of moment in the conduct of the court, and perhaps it is on account of illness more than anything else that it is desired to increase the number.

Mr. LAPOINTE: Yes, my hon. friend is quite right, as I stated in my preliminary remarks; but of course judges may be ill also in the future. It has happened in recent years that the court could not sit with its numbers complete. I may say to my hon. friend from Simcoe that the number of judges who have been requested to come in and assist has been considerable. My hon. friend says I have not made out a strong case. I think this is a strong argument—and I repeat—that litigants are entitled to have their cases before the Supreme court heard and decided by judges having the standing of Supreme court judges.

Mr. BOYS: I submit that is no answer. I am not speaking of the standing of the judges.

Mr. GEARY: The sickness to which I have referred may be counterbalanced by superannuation under this scheme.

Mr. BOYS: Dealing with the question of the restriction in the act, could it not be provided that future commissions should be issued on the basis of retirement at seventy-five years of age? I understand the minister says that under the provisions of the British North America Act there is no power now to compulsorily enforce retirement.

Mr. LAPOINTE: My hon. friend refers to judges of the Superior court?

Mr. BOYS: Yes. In the commission appointing them a clause could be inserted providing that they should be retired at the age of seventy-five.

Mr. LAPOINTE: I am afraid it would be interfering with the British North America Act if we inserted such a clause.

Mr. BOYS: Not if they accept appoint ment with such a provision.

Mr. LAPOINTE: However, we can continue the whole matter when the bill comes back.

Resolutions reported, read the second time, and concurred in. Mr. Lapointe thereupon moved for leave to introduce Bill 139, to amend the Judges Act, Bill No. 140, to amend the Exchequer Court Act, and Bill No. 141, to amend the Supreme Court Act.

Motion agreed to and bills read the first time.

Mr. BOYS: Second reading at the next sitting of the House?

Mr. LAPOINTE: Yes.

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

EXCISE ACT AMENDMENT

Hon. W. D. EULER (Minister of Customs) moved the second reading of Bill No. 119, to amend the Excise Act.

Motion agreed to, bill read the second time, and the House went into committee thereon, Mr. Marcil in the chair.

Section 1 agreed to.

On section 2—Forfeited goods include vessel, vehicle, etc.

Mr. STEVENS: The underlined words are the only changes?

Mr. EULER: Yes.

Section agreed to.

Section 3 agreed to.

On section 4—Penalty.

Mr. STEVENS: This is merely to increase the penalty from $100 to $200?

Mr. EULER: Yes.

Section agreed to.

Section 5 agreed to.

On section 6—Vessels included in things seized as forfeited.

Mr. STEVENS: This is to meet the rum running epidemic.

Mr. EULER: It merely adds the word "vessels" to bring the section in line with other sections of the act.

Section agreed to.

Sections 7 to 13 inclusive agreed to.

Bill reported, read the third time and passed.

WEST INDIES TRADE AGREEMENT

ORGANIZATION OF COMPANY TO PROVIDE STEAMSHIP SERVICE

Hon. CHARLES A. DUNNING (Minister of Railways) moved that the House go into committee to consider the following proposed resolution:

1. That it is expedient to bring in a measure to provide or arrange through a company to be formed under the Companies Act, for a mail, passenger and freight service, in accordance with the West Indies Trade agreement, 1926.

2. That the securities to be issued by the company may be guaranteed by the Dominion as to principal and interest to an amount not exceeding, without the authority of parliament an aggregate of $10,000,000.

3. That the proceeds of sale or disposition of the securities shall be deposited to the credit of the Minister of Finance; and the entire stock ownership of the company shall be issued to His Majesty in the right of the Dominion in consideration of the guarantee.

4. That any of the boats now operated by the Canadian Government Merchant Marine, Limited, may be transferred to the company on a reasonable valuation and on terms to be approved by the governor in council, and if transferred to be operated by individual companies, such companies shall issue to the company all their capital stock to indemnify the crown against liability in respect of the guarantee.

Motion agreed to and the House went into committee, Mr. Marcil in the chair.

Mr. STEVENS: This is a very important resolution, and one to which I personally must take strong objection. I will briefly outline my reasons for so doing, although when the minister brings down the bill it may contain safeguarding features which will in some measure meet my objections. With regard to the first paragraph, which states that it is expedient to bring in a measure to provide for mail and passenger service and so on to the West Indies, to that I can have no objection; we certainly should implement our undertakings and arrange to take care of that traffic. But to the suggestion that it be done through a company to be formed under the Companies Act, and to the next paragraph which provides for a guarantee to such company in principal and interest to an extent of $10,000,000, I object. Naturally I am not in possession of all the facts, but I recall an announcement appearing in the press a few days ago to the effect that a couple of gentlemen, Mr. Raymond and Mr. McDougall, had organized a company to take over Vickers

Limited in the city of Montreal for the purpose of building these vessels. Vickers Limited is an old, well-established firm; I presume that in recent years they must have had some difficulty in making a return on capital invested, since shipbuilding has certainly not been a very prosperous business in Canada, but these well known gentlemen could not be properly classified, I think, as eminent shipbuilders. However, they have formed a company for the purpose of building these ships and now we find the government coming forward with a proposal in which they guarantee the principal and interest to the extent of $10,000,000. I rather think I overhear the minister say it has nothing to do with this bill, but there is a rather touching synchronization, to put it mildly.

Whether or not that group is behind this venture, the fact remains that it is proposed to guarantee $10,000,000 of principal and interest of a company which shall do certain things. Then if you follow the resolution a step further you will find that it is also giving power to turn over some of the ships of the Canadian Government Merchant Marine, on a valuation and terms to be approved by the Governor in Council; that is section 4. It is also stated that the capital stock is to be turned over to the crown as an indemnity against liability in respect of the guarantee. We have the Canadian Government Merchant Marine owning the ships and the government owning the company; now we propose to pass legislation which will turn those ships now owned by the government over to another company whose stock shall be guaranteed by the government. Thus, unless the resolution be explained in some manner certainly contrary to its present wording, an amazing situation is disclosed. How we can justify to the people of Canada the creation of a new company or companies and the guaranteeing of new stock and new capital for the purpose of taking over property which we already own is beyond me. I know there are those who criticize the present Canadian Government Merchant Marine and say that it was not a good venture and so forth, but the fact of the matter is that we have suffered all the loss a country can possibly suffer through a venture of this kind. That is history now; that is behind us. An opportunity presents itself to make the Canadian Government Merchant Marine pay by simply utilizing the machinery we now have; we can construct new ships if necessary or we can use the present ships to give this service without creating any new company and without guaranteeing capital for any private group. So without having the details of the bill before me I say I am absolutely opposed to this proposal and particularly to section 2 of the resolution. I hope the committee will become thoroughly seized of the significance of that section, which reads:

[Mr. Stevens.]

That the securities to be issued by the company may be guaranteed by the Dominion as to principal and interest to an amount not exceeding, without the authority of parliament, an aggregate of $10,000,000.

The plain and simple reading of that section is that the government is asking for the right to guarantee for principal and interest the capital of a new company to the extent of $10,000,000, and it is intimated in the words "without the authority of parliament" that they expect the company to come back later and ask for a further guarantee. That is, if the $10,000,000 is not sufficient the company may ask for a further amount to be guaranteed. In other words, certain gentlemen unnamed in the resolution, without the investment of one dollar, are to get $10,000,000 of Dominion government money, because a bond guaranteed by the government is just the same as money; any security guaranteed by this government is equal to the government's own security. We are dipping into the treasury of Canada and giving this company, whose personnel is unnamed in the resolution, $10,000,000 of the money of Canada to organize a new company to render a service which we already have an organization capable of performing. It is a most astounding proposal, and speaking for myself it is my intention as we proceed to scrutinize every step as closely as possible. At this time, however, I wish to register my opposition to the proposal as disclosed in the resolution.

Mr. ADSHEAD: May I ask a question?

Mr. DUNNING: Perhaps my friend would permit me to make an explanation to the hon. member for Vancouver Centre (Mr. Stevens), which would clear matters up. I am pleased that my hon. friend said that if the resolution meant what he thought it meant he would oppose it; I can assure him that when he examines the bill based on the resolution, a great deal of what he describes as astounding will vanish. As to guaranteeing the bonds of gentlemen unnamed and thereby making them a present of $10,000,000 of the credit of this country, there is absolutely no such intention. The guarantee will be given and the shares will be held by the Minister of Finance in the same manner as the shares of the Canadian Government Merchant Marine and the shares of the Canadian National Railway Company are held. The $10,000,000 guarantee given to this institution will be in fact given to the

Canadian National Railway System. The manner of dealing with it is rendered necessary by the nature of the business itself. My hon. friend is, I am sure, not aware of the fact that each one of the ships now operated by the Canadian Government Merchant Marine is operated by a separate company. A system such as this, I am given to understand, has proved to be the most satisfatcory way of operating steamships, so that criticism of the proposal from the point of view of extending the guarantee of the government of Canada to private interests entirely falls to the ground. There is no private interest involved in this proposal in any way, shape or form. A new corporation is being established—indeed it may be a number of new corporations, one for each ship—in order to deal specifically with the West Indies service, which is a new service demanding special types of ships and one which we desire to keep absolutely separate in operation and accounting from the ordinary Canadian Government Merchant Marine. It is desirable in view of the West Indies trade agreement that the shipping feature of it should be a thing apart from the general operation of the Canadian Government Merchant Marine, especially as one of the stipulations of the treaty itself is that the colonies concerned, the various West Indian colonies, should themselves contribute a subsidy for the maintenance of this particular steamship line. Hence it is desirable to incorporate it separately from the Canadian Government Merchant Marine. I think that deals with the main objection advanced by my hon. friend.

As is well known, the government of Canada has for many years been paying a subsidy for the operation of a steamship service to the West Indies. The Minister of Trade and Commerce will be here—he has just come in now—and he will deal with the trade treaty and the subsidy features of this matter. Suffice it for me to say that the government has on two occasions, if not three, advertised for subsidy tenders from existing steamship lines for operation of the service called for by the West Indies trade agreement. The results of our call for tenders will be dealt with in detail by the Minister of Trade and Commerce, and I feel sure that when those facts are before it the House will agree that the best way of dealing with this West Indies situation is through the medium of our own Canadian National organization, and the financing of a government owned steamship service to the West Indies under the provisions of the trade agreement.

What is proposed is to form a separate company for operating purposes, for the reasons I have just outlined. In order to live up to the agreement it is necessary for us to put into operation to the eastern group of islands a fortnightly service, passenger, mail and freight, from Canadian ocean ports all the year round, calling each way at Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica St. Lucia, Barbados, St. Vincent, Grenada, Tobago, Trinidad and Demerara; and also a fortnightly freight service from Canadian river ports in summer and Canadian ocean ports in winter, calling at St. Kitts, Antigua, Barbados, Trinidad and Demerara. That is for the eastern group.

For the western group our treaty obligations call for a fortnightly passenger, mail and freight service between St. Lawrence ports in summer and such Canadian ocean ports in winter as may be designated by the Canadian government, calling both ways at Bermuda, the Bahamas, and Kingston, Jamaica; and also a fortnightly freight service between the said Canadian ports and Kingston, Jamaica, direct, alternating with the previous service; also a fortnightly passenger and freight service between Kingston, Jamaica, and British Honduras, to be operated by a small steamer connecting at Kingston with the passenger vessels. It is proposed to give these services to the eastern groups by operating three passenger, mail and freight motor ships of 5,800 tons deadweight, 14 knots speed, with accommodation for 100 first class passengers, 30 second class passengers, 100 steerage or deck passengers, and cold storage facilities. Freight services for the eastern group will be operated by four freight vessels of 4,300 tons deadweight, speed about 10 knots, and at present the property of the crown.

I may here dispose of another point that was troubling my hon. friend from Vancouver Centre. Any vessels which are disposed of by the merchant marine to this new company for the operation of the West Indies service may be paid for out of the proceeds of guaranteed bonds, and the amount so paid may be paid to the Minister of Finance and will constitute a reduction to that extent of the present liability of the merchant marine. Or the notes held by the Minister of Finance may be simply transferred to apply to the new company.

Mr. McGIBBON: Is it the intention to have new boats built, either directly or indirectly?

Mr. DUNNING: If my hon. friend will possess his soul in patience I will cover that point in a moment.

Mr. McGIBBON: Is it the intention to transfer these vessels at the ridiculous prices at which previous vessels have been disposed of?

Mr. DUNNING: I will deal with that point also in a few moments. For the western group it is proposed to provide two passenger, mail and freight motor ships, of 5,800 tons deadweight, of 14 knots speed, with accommodation for 100 first class passengers, refrigeration for 70,000 stems of bananas, and cold storage for Canadian and West Indian products. For service in the western group freight service the Canadian Fisher and the Canadian Forester will be converted into oil burners and be fitted with refrigeration for 50,000 stems of bananas. The speed of these two vessels is about 10 knots.

For the third service of the western group, connecting as I said a little while ago with the passenger service at Kingston which I mentioned previously, a steamer of about 1,000 tons deadweight will be required, with a speed of 10 knots, accommodation for about 20 first class passengers, and also cold storage facilities.

Now as to how these vessel requirements are to be met: A careful examination has been made of the estimated cost of building. The services to which I have just referred will require the provision of five new vessels. Five of the vessels to which I have referred will require to be new vessels, and vessels of a special type for this particular class of service. We find of course that these vessels can be built most cheaply upon the continent of Europe. Next in order of cheapness would come building in Great Britain; and building in Canada itself would be more expensive than building either in Great Britain or on the continent. I will not weary the House with figures respecting the continental costs, bu the costs of the five new vessels if built in Great Britain, including calculations for financing the bond issues, which are the same in each case, would be $8,186,500, and in Canada for the five vessels, $9,280,000.

Mr. STEVENS: Where does the minister get his figures for Canada?

Mr. DUNNING: The merchant marine gets approximations of what the cost would be from naval architects and those engaged in the shipbuilding business in Canada.

Mr. STEVENS: Have the different yards such as Wallace, the yard in Victoria, the Vickers yard and others been asked to give figures in connection wtih this?

[Mr. Dunning.]

Mr. MALCOLM: The compilation of costs is based entirely upon wage conditions and material costs on the continent as against the cost in Great Britain and material and labour costs in Canada as against the cost in Great Britain, the average increase being shown over the average British figure. It is an estimate.

Mr. STEVENS: I appreciate the answer, but it is not an answer to the question I asked. Have the various shipbuilding concerns of Canada been requested to give figures in connection with this matter?

Mr. DUNNING: We have not yet, of course, reached the stage of calling for tenders or anything of that kind. I am now endeavouring to give the committee the best information we have, based on the relative costs as between building all the vessels in Great Britain on the one hand and building them all in Canada on the other. I will in a moment come to what we base our calculations upon.

Mr. HANSON: The figures are estimates in each case?

Mr. DUNNING: Of course the figures are estimates. Under prevailing conditions it would be impossible to get a firm bid on building a ship. We have to secure authority from parliament to proceed and many other factors are also involved.

Mr. ERNST: I understood the minister to say that tenders would be called for at a later date. Have estimates been supplied by any of the Canadian shipbuilding yards, say for example the Halifax shipyard?

Mr. DUNNING: I do not think there has been any definite bid by any shipyard, but the Canadian Government Merchant Marine have, I believe, discussed the matter with all of those who might reasonably be expected to be affected in the preparation of the estimated figures for this work. I really wanted to be in a position to give the committee as close an idea as could be given, without actually calling for tenders, of what the relative costs would be of building these ships in Great Britain and building them in Canada, or partly one and partly the other. It will facilitate matters a great deal if hon. members will permit me to finish my general outline and then ask questions, because they are really anticipating things which I shall have to say during the course of my remarks.

Other factors which enter into this matter are those of time and also the type of vessel required which is a special type for this particular class of trade. Account being taken of the cost factor, the special type of vessel

factor, particularly the special type of refrigeration and also the time factor, our present calculation is based on having two of these vessels built in Great Britain and three of them in Canada. We doubt if we can get sufficiently quick delivery of the whole five vessels from Canadian shipyards, and in any event it will take considerable time to have these vessels constructed either in Canada or in Great Britain. Regard being had to all these factors, the advice of the officers of the Canadian Government Merchant Marine to the government is that two of these boats should be built in Great Britain and three in Canada.

Mr. STEVENS: With all due deference to the minister's request of a moment ago, I think this is the time to ask this question: Will the government call for tenders from Canadian shipyards for the construction of these ships? If so, while one shipyard might not be able to make delivery of the whole five, it certainly is not reasonable to say that all the yards in Canada would be unable to make delivery of the five ships. So I ask the minister: Is it the intention to call for tenders from all the shipyards giving them an equal opportunity?

Mr. DUNNING: For all the ships?

Mr. STEVENS: And if in case of a diversity of building which there probably will be and which, we hope, there will be, will the other shipyards be given the refusal before the orders are sent out of Canada?

Mr. DUNNING: I do not intend at this stage to tie the hands of either the government or of the directors of the Canadian National quite as tightly as an affirmative answer to my hon. friend's question would do.

Mr. STEVENS: Perhaps the minister will give me an answer to this question.

Mr. DUNNING: I wish the hon. member would let me answer his previous one first.

Mr. STEVENS: The minister has answered that one. He has said no. Has any tentative arrangement or understanding been arrived at with any one yard as regards the construction of three ships?

Mr. DUNNING: Positively no, and there I want to refute as strongly as I can the impression given by my hon. friend in a previous question that there is some sinister arrangement between the government and certain interests that they will get the contract for building certain ships.

Mr. STEVENS: I said that it synchronized.

Mr. DUNNING: I have no knowledge whatever of any connection between any reorganization of the Canadian Vickers and the proposal now before the committee. My hon. friend to-night brought it to my attention for the first time. I should think it would be a matter of pride to Canadians that Canadians are themselves in a position to-day to get financial control of one of our great shipbuilding institutions rather than to have it abroad, even in Great Britain; but as regards this involving any arrangement, implied or of any other kind whatsoever, for building these ships, there is absolutely nothing in it. As regards myself or the government, there has not been in connection with this matter any arrangement with any special group or any shipyard anywhere as to getting contracts to build these ships. May I express the hope that if the Canadian Vickers or any other Canadian company are capable of building these ships economically and well and can demonstrate to the management of the Canadian merchant marine that they are capable of doing so, they will get the business?

Mr. ERNST: All five?

Mr. DUNNING: I cannot say all five. I cannot commit the government at this time.

Mr. ERNST: Why not?

Mr. DUNNING: I have already stated that in the judgment of those who are managing this business the best way, from the point of view of Canada, from the point of view of the shipping company to be formed, which is the Canadian people, having regard to the necessities involved in the special types of ships required, is to have two of them built in Great Britain.

Mr. ERNST: May I ask the minister a question?

Mr. DUNNING: Well I am long-suffering.

Mr. ERNST: I do not wish to impose upon the minister, but I want to ask him if one were placed in each of five different yards, if they could not be built just as quickly in Canada as they could in Great Britain?

Mr. MALCOLM: Can my hon. friend tell me where in Canada he can find five shipbuilding yards that can handle ships of this type?

Mr. ERNST: I know three, and I know several that are capable of putting two ships on the stocks at once.

Mr. DUNNING: Perhaps to me, not being a maritime man, a ship is a ship, and I presume my hon. friend is trying to tell me that any shipyard can build any ship.

Mr. ERNST: No, I did not wish to say that.

Mr. STEVENS: The minister is not fair in that at all. We have very excellent shipyards in Canada. I can name some on the Pacific coast. There are two in Victoria. In Vancouver the Wallace shipyards are capable of turning out any class of ship you want. A year ago they built one of the most modern and up-to-date ships for the Canadian Pacific for their northern coastwise trade, a passenger ship, almost as large as one of these, and very similar to it.

Mr. DUNNING: I am not questioning that. What about the other yard on the Pacific coast?

Mr. STEVENS: There is one in Victoria, under Charles V. Spratt, which built ships during the war. Then there is the Yarrow yard in Victoria, a branch of the Yarrow shipyards in Great Britain, furnished with the very best equipment, and where the very best of workmanship is given. These yards are capable of building these ships.

Mr. DUNNING: Any of them?

Mr. STEVENS: Any of them, or any ship twice the size, if you want it; there is no question about that. What alarmed me was this: The minister said a moment ago: We have arranged to build three of these ships in Canada and two in Great Britain.

Mr. DUNNING: No.

Mr. STEVENS: Unquestionably the minister said that.

Mr. DUNNING: If I said that, it was certainly not my intention to convey the impression that anything had been arranged, but that on the basis of the examination made, this was the present view of those responsible for the management of the Canadian Government Merchant Marine. If I conveyed the impression that anything was definitely arranged I made an error, because I immediately stated in answer to my hon. friend that nothing definite had been arranged.

Mr. STEVENS: I did not say definite; I said that impression was given.

Mr. ERNST: Might I interrupt?

Mr. BLACK (Halifax): I would say—

The CHAIRMAN: The rules of the House should be followed in committee as much as possible, and when a minister of the crown desires first to make a statement which will be subject to cross-examination afterwards, I think it is only fair to allow him to make his statement.

[Mr. Dunning.]

Mr. BLACK (Halifax): I did not purpose cross-examining him. I merely wanted to make an explanation in regard to the shipyards in Canada. When the ships were being built in Canada which now form the merchant marine, the Halifax shipyards, I believe, turned out the best ships composing that fleet. Persons with knowledge of other shipyards can speak for them, but I can assure the minister that two ships can be built by the shipbuilding company operating in Halifax as quickly as one, and I think more cheaply than a single ship. That would dispose of two of the five.

Mr. DUNNING: Now, Mr. Chairman, I will try to get on. Apparently it is a mistake to be frank with the House in respect to such information as has been secured in connection with a matter of this kind, because it immediately raises all sorts of questions of local patronage, and so forth.

Mr. STEVENS: No, that is not correct.

Mr. DUNNING: Frankly I did not look at the matter from that point of view at all. I was attempting to get information upon which the best judgment of the merchant marine officials and of the government itself, which must pass on all contracts over $500,000 in value, could be exercised, having regard to the known cheaper construction in Great Britain and also to the desirability from a business point of view of getting these boats built as cheaply as possible consistent with other national interests. Consideration should also be given to the desirability—and this concerns all of us—of doing as much business in Canada as it is humanly possible to do.

I might point this out, however, in connection with all government undertakings of this nature, that we are entering into competition with institutions owning ships and which buy in the cheapest market! If we ignore altogether the necessity of keeping the capital cost as low as possible we shall have as a consequence higher fixed charges than a private company would have operating under similar conditions. I do not want to attach overwhelming importance to that side of the question, but I do say in all seriousness that it must be taken into account when we come finally to the point of deciding where these ships shall be built and have before us information as to what can and what can not be economically done in Canada.

I was merely giving to the committee—much to my own trouble, apparently—the best information that we have been able to gather up to now in regard to the whole program of construction. Of course I

had to have something upon which to base figures to present to the committee in connection with the resolution we are now discussing. I wanted to know whether it would require to be eight, nine, ten or fifteen million dollars, and in order to get that information I requested the officers of the merchant marine to go into the matter very carefully and to give me their conclusions. I eliminate from consideration altogether continental-built ships, although a very considerable saving could be made in that direction because the continental cost is below the British building cost.

I have had so many interruptions that I hardly know how far I had proceeded with my explanation, Mr. Chairman. In concluding for the present, I can only say this, that so far as the building of the ships is concerned, we on this side of the House and the government are as much concerned as anyone else can possibly be in securing for Canadians all the work and all the business possible having due regard to all other proper national considerations. I repeat, there is no arrangement of any sort or kind at the present time existing, or in contemplation to give any or all of the shipbuilding work to any one or all of the concerns in Canada. I had no idea at all, save from the story I read in the newspaper to which my hon. friend refers, that there was any change in contemplation in the control of Canadian Vickers, but I presume, even although a few Liberals may be interested in Canadian Vickers, that this should not be a reason why that company should be debarred opportunity of getting some of this business on equal terms with any other company. So far as we are concerned at least, the Canadian Vickers or any other institution will be given every opportunity to demonstrate that they can do this work for the people of Canada economically and well.

Mr. STEVENS: My hon. friend has drawn in the question of buying in the cheapest market, and the question, as he says, of local patronage. We did not raise the question of local patronage in regard to this matter at all.

The minister also said very distinctly that we had arranged or proposed or used some form of speech conveying the impression that the government were going to build three ships in Canada and two in Great Britain. Then we raised the question why they could not all be built in Canada. The minister said that he was not very familiar with maritime matters, and he questioned whether there were yards in Canada that could build these ships in time.

Mr. DUNNING: The particular type of ship required.

Mr. STEVENS: We then undertook to draw to his attention the fact that there are shipyards in Canada quite capable of building these ships. The question of price I am not discussing at the moment. But to say that we could not build these five ships in Canada is, I was going to say, sheer nonsense, because there are yards in Halifax, there is a yard in Montreal, and there are yards on the Pacific coast capable of building these ships—one, two, three, four or five of them. I do not think at the moment that there is a yard able to build five and turn them out all together. My hon. friend from Halifax (Mr. Black) refers to a firm in that city which can lay down two at a time. We have the Coughlan firm in Vancouver which can lay down four at a time. We have yards which can do this work. It is not going to help the minister to insinuate that we are asking for local patronage. We are not asking for local patronage at all. I think all the yards in Canada should have the privilege of figuring on the cost of these ships.

Mr. DUNNING: I will see that they do, but they will have to demonstrate that they are capable of producing the type of ship required. I cannot take my hon. friend's word for that as a shipbuilder, any more than I would ask him to take mine.

Mr. STEVENS: I am not going to ask my hon. friend to take my word, but I am not going to be satisfied with this proviso that they must be able to build the ships to suit, or something of that character. I do not think that should be held over the shipyards of Canada. Many hon. members in this House know that these yards are capable of turning out any class of ship of this character. These ships are not very difficult to build.

Mr. DUNNING: Does my hon. friend know exactly what special type of ship is required?

Mr. STEVENS: If my hon. friend asks me to give him the specifications for the construction of the ships, I say no, I cannot do it. But I know enough about ships to know that this type of ship generally is a semi-coastwise traffic ship to carry a hundred or a hundred and fifty passengers and a cargo—part cargo and part passengers.

Mr. DUNNING: It is far more than that.

Mr. STEVENS: If my hon. friend should ask me whether these yards can turn out ships like the Majestic or the Leviathan, I say no, but they are capable of turning out this class of ship.

Mr. DUNNING: My hon. friend does not correctly describe the type of ship.

Mr. STEVENS: How can I, if I have not the specifications? I know the general type. My hon. friend says that three are to be motor ships, and then some of them are to be changed into oil burners. What I want to know—and I think the committee is entitled to this information—is whether the Canadian shipyards will be given an opportunity to figure on the five ships before a contract is entered into for their construction outside of Canada. I submit that the bids should be open bids on the open market, called for without any strings attached. As regards buying in the cheapest market, that is another matter. The minister disposed of that by telling us that the decision was to build three in Canada and two overseas, so that he is not going to buy in the cheapest market. I will not enter into that question at present. Some of my hon. friends to my left applauded the suggestion as to buying in the cheapest market, but there is something more than that. Here we have the shipyards, the labour and the material in Canada, all idle. If the ships are built in Canada it is going to contribute something to the welfare of the country, and we would like to have the assurance that every shipyard in Canada will have the opportunity to make a bid for the construction of these ships.

Mr. MALCOLM: I think I can offer a word which might allay the fears of my hon. friends opposite. I was not in the chamber and did not hear the explanation offered to the House by the hon. Minister of Railways, but I may say that these boats are of a special type. Anyone who has followed the Canada-West Indies conferences knows that the question of refrigeration is an important feature in connection with the steamship service. It is necessary that ships for this service be equipped with a special refrigerator capacity, quite out of keeping with the ordinary ships of their size and type. In making the estimate which has just been given by the Minister of Railways, the officers of the merchant marine, after surveying the field and after consultation with Canadian engineers on naval construction and with British engineers, were surprised to discover that it appeared quite possible to build three ships in Canada and have them completed within the fifteen months stipulated in the treaty. They did feel however that two of the boats, on account of the expenditure which would be necessary for installing refrigeration, could be built cheaper in Great Britain. I may say that the government waived the point in regard to the cheapest construction, which was German construction, and said that the ships must be built in Great Britain or Canada. When the time comes for the tenders to go out, I think my hon. friends, who seem so zealous for some shipyards for which they are anxious to get business, will find that some of those shipyards will not be able to compete on some of the types of boats, and they themselves would not be willing to award the contract to such companies. When the specifications are submitted to all Canadian and British builders it may be found possible to build four boats in Canada and one in Great Britain. It might be possible—but I am inclined to think not, from what I am informed—for us to build the whole five in Canada, but I think the minister's figures are based on the best estimates obtainable as to the probable outcome of the tenders. I want the House to know that we are asking for a sum of money which we believe will be the probable amount, based entirely on estimates, but which amount may be somewhat in excess of requirements, or may be less than the requirements. In any event it is as close a figure as the government can arrive at now with the knowledge it has and the knowledge the merchant marine possesses.

Mr. PARENT: Is it not a fact that a contract has already been entered into with a firm in England for the building of two of these ships?

Mr. MALCOLM: No, the government has never discussed the question of the cost of the boats with any private company at any time. The Minister of Railways, the Minister of Finance and myself have turned over to the Canadian National Steamship Company the gathering of the information required, and their officers in Great Britain and their officers in Canada have surveyed the field, assisted by naval architects and marine engineers in different parts of Canada, and their estimates represent, we feel sure, the best information available. The tenders for the construction of the ships have not been called for. No firm has been asked to submit a definite estimate of cost. They are pure estimates based on the cost of the boats in the British yard, with the necessary increase added, based

on the estimates of naval architects in Canada. Nobody has been promised that a tender would go to the Pacific coast or to any other place.

Mr. EVANS: This is perhaps one of the most interesting problems that has come before the House for some time. If we are going to be a nation engaging in the carrying trade of the world, carrying our exports to foreign countries, it is necessary that we buy in the cheapest market. My hon. friend to my right smiles at that statement, and of course the argument is advanced regarding the Canadian workman. Why, they say, even if it does cost more in this country let us give the work to our own workmen.

Some hon. MEMBERS: Hear, hear.

Mr. EVANS: Yes, and some of these same gentlemen will at once give their approval to a scheme involving $10,000,000 in connection with immigration to defeat the very end of the workman himself, for whom they are pleading for better wages.

Mr. BELL (Hamilton): When did we ever do that?

Mr. EVANS: You are doing it this year.

Mr. BELL (Hamilton): When?

Mr. EVANS: You have done it.

Mr. HANSON: Speak for yourself, John.

Mr. EVANS: Yes, I will speak for myself. We shall spend that amount during 1926 before the accounts are all in, and that for the purpose of bringing workmen to Canada from other countries. Is not that calculated to defeat the purposes of organized labour itself? Our friends from the maritimes want to carry their products in the cheapest way possible down to the West Indies and other markets of the world, and now hon. gentlemen would load this scheme with $1,000,000 of overhead on which interest would have to be paid. This would spell failure for the whole undertaking from the very beginning.

This scheme must be carried out as economically as possible; we must do it in the cheapest way we can. If hon. gentlemen will read history, and only recent history at that, they will see how costly it has been to this country to follow the trade policy of driving out of line with world prices the cost of every enterprise we undertake. The United States some years ago determined to engage in the carrying trade. I remember they were in the market for some of the largest vessels afloat and they purchased the City of Paris, the City of York and similar ships and entered into competition with Great Britain. What happened? Before the Great war came on they were out of the running as a marine nation. Then during the war they subsidized or built a large merchant marine, hundreds of the vessels of which have already been scrapped as a result of that same policy we are following in Canada to-day, of driving prices up out of all proportion to world costs. These vessels have been scrapped and the United States is doing little in the way of transportation. I say this scheme must not be loaded with a million dollars of overhead which is not needed. If that is done failure is inevitable from the outset.

Mr. BELL (Hamilton): Would the hon. gentleman proceed to the logical conclusion of his proposition and invite the cheapest continental tenders for the purpose of saving the maximum of money?

Mr. EVANS: Certainly; I would go so far.

Mr. BELL (Hamilton): And eliminate the English?

Mr. EVANS: Yes, eliminate the English and get the boats built in the cheapest market possible. The scheme can be a success only if we follow that policy. We have followed a false policy in this country all along, and I am glad that the question has come before the House at last in such an acute form as this. The farmers of the country have preached the other doctrine for many years, for they have been confronted with this very problem, and to-day agriculture is bankrupt because of the trade policy to which we have adhered. When brought face to face with a question like this we should consider our ways and be wise.

Mr. CANTLEY: Is it the intention of the government to have the Canadian merchant marine build the new fleet?

Mr. DUNNING: Yes.

Mr. CANTLEY: As regards the type of ships to be built, the minister did not give us sufficient information on which to base a reasonable judgment as to whether they could be built in Canada or not. The two larger motor ships, I understood him to say, would be of 5,800 tons deadweight, with a stated speed and certain accommodation for passengers, together with refrigerator space.

Mr. DUNNING: Yes.

Mr. CANTLEY: The Minister of Trade and Commerce rather threw out a challenge to us on this side to name five yards in Canada which could build the ships referred to. There is no difficulty in meeting that challenge because there are two yards on the Pacific coast, one in Halifax, one in Levis and Vickers, in Montreal. Leaving out of account for the moment the two ships which I might describe as capital ships, the other vessels are of a type of which we have built scores in Canada already. The two capital ships, the Minister of Trade and Commerce tells us, are of a special type that could not be built in this country, because of lack of refrigerating machinery. As a matter of fact, in the case of ships built on the Clyde or anywhere else in Great Britain, the installation of the refrigerating machinery is put in by the refrigerating company, and the same thing could be done in this country. That, therefore, presents no great obstacle. As regards the cost of ships built on the continent, the minister did not state the difference between such ships and those built in Great Britain.

Mr. DUNNING: I discarded the continental ships.

Mr. CANTLEY: Quite properly so. I might refer the minister to the experience of Newfoundland. The government there, about two years ago, bought a vessel which was built on the continent—the Cariboo, plying between Sydney and Port aux Basques. She was built at about 8 per cent under the cost of construction in Great Britain at that time, and the Newfoundland government have never ceased to regret having purchased the ship from a continental yard. There are various reasons for their dissatisfaction with the vessel, but one in particular I may mention. All the measurements in connection with the machinery are metric. There is nothing standardized about the vessel corresponding with the standards obtaining in this country or in Great Britain, and when a piece, be it valve, piston ring or boiler tube ferule, is wanted there is only one thing the Newfoundland government can do, and that is to send to the yard where the ship was built and wait until the necessary valve, ring or other part be made and brought overseas. We cannot afford to do that. We would not do it, nor would Newfoundland do it again.

Mr. DUNNING: That is right.

Mr. CANTLEY: The minister referred to single ship companies and some question was raised as to why it was desirable for vessels to be operated under this system. Single ship companies exist for the simple reason that the operation of vessels in this manner eliminates part of the obligation of the risk attendant on collision.

Mr. DUNNING: That information might be given to my hon. friend's colleague from Vancouver Centre who wanted it.

Mr. CANTLEY: I thought the minister was not quite sure about it himself. If I own half a dozen ships and one gets into a collision, should her value be inadequate to meet the damage accruing, the whole of my fleet becomes liable. If on the other hand I own ten vessels and they are individually operated and controlled, in the event of one of them getting into trouble she is solely liable for the damage; the others will not be called upon to contribute. With that object in view, practically all fleets are operated by single ship companies.

Now to come to the Fisher and the Forester, which I understood the minister to say would be reconditioned. I am not quite sure whether or not I understood the minister correctly.

Mr. DUNNING: In addition to the building program the Canadian Fisher and Canadian Forester would be reconditioned in Canada.

Mr. CANTLEY: That is what I understood. Now I would like to point out that the Canadian Fisher and Canadian Forester as originally built were not intended for the West Indian trade at all, but after they were completed they were reconditioned at a very considerable cost in order to fit them for that service. The passenger accommodation there installed on those ships was entirely inadequate, and the cost of reconditioning was out of all proportion to their capacity as passenger vessels. I doubt very much the advantage to accrue from reconditioning these ships again.

Mr. DUNNING: Not for passenger service but for freight service.

Mr. CANTLEY: Will the passenger accommodation be taken out?

Mr. DUNNING: It is not intended to use them for the passenger service.

Mr. CANTLEY: Will the minister be good enough to tell us what it is proposed to do with them? I am simply asking for information; I am not criticizing, but if I can I want to get a correct idea of what the government has in view.

Mr. DUNNING: They are to be converted into oil burners and fitted with refrigeration for 50,000 stems of bananas.

Mr. CANTLEY: Now am I to understand that the present passenger accommodation will be taken out?

Mr. DUNNING: I cannot positively say that; that will be after the new boats are put in service, of course.

Mr. CANTLEY: Getting down to the difference in cost of Canadian built over British built-ships, it is practically a matter of 12 per cent, or $1,094,000?

Mr. DUNNING: That is right.

Mr. CANTLEY: As the minister has explained, these are estimates; they are not actual figures and as a matter of fact we do not know what the difference will be, although I fancy his estimate is fairly correct. If that be so, I submit that it is not an excessive price to pay for having these ships built in our own country by our own men. I do not need to elaborate that; everyone knows exactly what I mean. I think we have some national pride still; we did splendid work during the war in the construction of vessels and did a great deal to save the situation at that time. The yards are already in existence, as I pointed out to the Minister of Trade and Commerce (Mr. Malcolm); men are in this country who can do the work, and we can build just as good, able and serviceable vessels as can be built anywhere, at a reasonable advance over the cost of those built in the old-established British yards where they have many advantages. The senior member for Halifax (Mr. Black) referred to the possibility of building two ships at Halifax and the advantage in building two ships there rather than one, and he was correct; two ships can be built as readily as one, there being several berths available there, with the added advantage that the overhead would be cut in two, and in a matter of this kind the overhead is a very considerable item. I would also point out that I understand the Levis yard has a contract to-day to build two passenger ships which are to be fully equal in power, speed and accommodation to these vessels. True they are river boats; still as to cost and equipment, they will compare favourably with the two capital ships referred to. So far as these small boats are concerned there is not the slightest difficulty in building them in any of a half dozen points on the Atlantic coast of Canada, and I hope when the matter is finally dealt with by the minister he will take into consideration the fact that these boats can all be built in Canada with a very considerable advantage to us from various points of view. Those advantages will not only consist of the employment of so many men, but when the ships are in operation it will be found an enormous advantage to have them in close contact with the yards where they were built; if the minister had as much experience in operating vessels as some other hon. members of this House have had he would be glad when replacements and repairs are needed to have the contractors as close to the operating base of the ships as possible, and that for obvious reasons. I congratulate him on the program he has brought down; I hope he will be able to give us further information very soon and that the details in regard to the ships, their power and equipment with the other facts which must be put before any party tendering, whether in the old country or in Canada, will be made available to all builders as early as possible in order that they may have ample time to make their calculations and submit their estimates to the department.

Mr. MacLAREN: I do not think sufficiently definite information has been given, and naturally so, to form much of an opinion regarding where these ships should be built. If we had the contracts before us we might be able to say something more definite; if we knew how many Canadian firms were prepared to tender it would also help in forming an opinion. Of course the minister does not pretend to give us that definite information at present, but at a later stage I presume he will give the House the full details, when we may discuss the matter with more advantage. It may be that further investigation will show that the ships may be built here in less time and with greater skill than is apparent at present, but in any event I think it is clear that the desire of this House and the desire of the people of Canada would be that our own shipbuilding yards be used to the fullest extent. I believe many of us welcome the proposal of a new and improved West Indies service; it will aid in the extension of import and export trade of our country. There is however, one question I would like to ask the minister. Tenders were called for in connection with the West Indian service, and they were found to be too high to be considered. May I ask what is the estimated saving between the tenders for that service and the present proposal of building and owning the ships ourselves?

Mr. DUNNING: As I said before taking my seat last, I was not quite sure on account of the number of questions, just what point

I had reached in the statement I made at the outset. I now find that I have omitted to mention one very important factor. We drifted into a discussion, quite properly of course, on the question of building the ships in Canada or building them abroad, and so got away from what is after all one of the major questions in a proposal of this kind. That is, how do we expect it to pay? What is going to be the financial result of these operations so far as we can see it, regardless of where we build the vessels? Once the vessels are built the problem will be a matter of operation. After duly weighing all considerations and calling for tenders, on two if not three occasions—the Minister of Trade and Commerce will deal with that phase of the matter, because it is his department which handles subsidies—we have decided that this is a better method of dealing with the situation than paying subsidies to private corporations for giving the service called for under the treaty. In so doing it has been necessary to examine the probable results, and again I can only present estimated figures. Naturally as we are not in the business yet, we can only judge of the probable results from our experience in operating our present West Indies service, and such information as we can secure otherwise. On the basis of building two of the vessels in Great Britain and three in Canada, reconditioning the other two in Canada, and providing for a twenty year bond issue which would be retired through the medium of an annual sinking fund of five per cent, thus involving that the country would become the owner free of mortgage of the ships in twenty years, whatever value may be left in them at that time; allowing also for the subsidies to be paid by the various West Indian colonies, which amount to $227,950 per annum all told and which would of course be receivable by these Canadian National West Indies steamships which we are setting up by this legislation—allowing for these factors it is estimated that there would be an income deficit in the first year of $764,911, the fifth year, $664,911, and the tenth year $564,911 the reduction being brought about of course by reason of the accretions in the sinking fund provided for the retirement of the bonds at the rate of five per cent per annum. I will leave to the Minister of Trade and Commerce the discussion of the subsidy feature of the matter because the Department of Trade and Commerce has been dealing with that phase of it. A special committee of the cabinet consisting of myself, the Minister of Trade and Commerce, and the Minister of Finance have been going into this matter for some months past with the officers of the Canadian National railways; it concerns of course both the Department of Railways and Canals and the Department of Trade and Commerce. I should say on the point which has been most discussed, that no one need have any fear that Canadian shipyards will not be given the fullest opportunity to demonstrate that they can build these ships, can build all of them, and at a price which would take into account all the factors which have been mentioned on both sides of the House, including the far corner, and would justify as a good business practice keeping the business entirely in Canada. The government does desire to keep the business in Canada.

Now, my hon. friend from St. John had a question which I have forgotten.

Mr. MacLAREN: My question was: Could the minister inform the committee what is the estimated economy effected by the proposed government service, as contrasted with the tenders for a private service?

Mr. DUNNING: I leave that to the Minister of Trade and Commerce to answer. He has that information.

Mr. MANION: What are the tonnage and dimensions of the boats?

Mr. DUNNING: I have not the exact dimensions.

Mr. MANION: Have you the length?

Mr. DUNNING: No, the length has not yet been determined.

Mr. ARTHURS: The minister has given certain figures as to the deficits for the first, the fifth and the tenth years. Has he based those figures on the present trade between Canada and the West Indies, or has he any reason to believe there will be any increase in that trade?

Mr. DUNNING: We have endeavoured not to be too rosy in that regard. We expect as a result of the operations of the treaty a considerable increase in trade, but we have endeavoured to be conservative in our figures because I for one do not want to come back to this House in future and say, I am very sorry but the deficit is three times what we expected. I would prefer to overstate the deficit at this stage rather than understate it, and the instructions given to the officials who were preparing the figures was to bear that in mind—to give estimates which could be relied upon as being conservative estimates. One would require almost the vision of a pro-

phet to ascertain really how much the factor of increased trade would weigh in the reduction of the deficit, and we have endeavoured to be conservative in our estimates.

Mr. MANION: May I ask the Minister of Trade and Commerce if he has the dimensions of these boats? I understood him to say that he had.

Mr. MALCOLM: No, but there are specific figures available as to the tonnage and the number of cubic feet of refrigeration capacity.

Mr. MANION: But not as to the length?

Mr. MALCOLM: No.

Mr. GARDINER: Does the estimated deficit for the first year include the subsidy that will be received from the West Indies?

Mr. DUNNING: The figures which I gave took into account the West Indian subsidies before arriving at the estimated deficit.

Mr. HANSON: The net deficit.

Mr. DUNNING: The net deficit.

Mr. BLACK (Halifax): I must say that I am very much surprised at the estimated deficit given us by the Minister of Railways in connection with the operation of this service. To my mind the estimate resembles the estimate given of the Transcontinental railway. Hon. members at that time were told that the cost of that railway was to be thirteen millions. I will not recapitulate what the project actually has cost. But as to the cost of operating these boats—having made some calculations myself and being familiar with the operations of steamships, and bearing in mind the calculations of others who have been operating steamships—I say that the annual deficit on the operations of this West Indian service and treaty will be at least two millions a year. I stand by that statement. I am satisfied that is the figure which will materialize, and I say that this contract, in connection with the treaty which has been entered into, will be very disastrous to this Dominion.

Hon. JAMES MALCOLM (Minister of Trade and Commerce): There has been so much cross questioning that I hardly know where to start my remarks and supplement what has already been said by the Minister of Railways. At the present time we are paying $340,000 a year for a service to the West Indian islands which is not satisfactory either as to frequency or as to capacity. At the time of the conference of 1925, a better service was arranged along the lines of the service which had been provided at the conference of 1920, but which had not been carried out. When the tenders were called for as mentioned by my colleague the Minister of Railways, no satisfactory tender was received—in fact no tender was received for the western service via the western islands and Jamaica. The government was not able to award a tender, nor was it satisfied at that time that it had exhausted the field of those who might wish to figure. The hon. gentleman who has just taken his seat spoke to me at the first part of this session before Christmas, and we again opened the tenders in order to let the company in which he is interested or others tender again, but without success. I have very carefully prepared estimates by the officers of the Canadian National railways who have submitted to us a set of figures which, if correct will save this country much more money than if we continue to pay subsidies.

I have taken the trouble to compile some figures as to what it costs to continue a steamship subsidy and I think it is worth while for the committee to know this. I think the senior member for Halifax will be glad to have this information. It is true the government is asking for a $10,000,000 capital outlay to provide a frequent service as called for by the treaty, and it is stated that the interest on a capital outlay of $10,000,000 is not a small amount. But if we continue to pay money in the form of subsidies for which we get absolutely nothing back and on which we lose the interest for all time to come, the amount involved runs into a considerable sum. Since 1889 and 1890 we have been paying subsidies for the West Indies service. The amount started at $49,942. It reached $73,000 in 1901. It continued to grow until in 1905 it reached $134,000. In 1910 and 1911 the subsidy amounted to $144 000. I will not weary the committee with the figures, but finally in 1925-26 it reached $318,000. The Dominion of Canada on this West Indies service has now paid out in cash $6,593,000. That, computed at 5 per cent interest annually since we have gone into this business, means that this country has now contributed to the British West Indies service $13,930,000.

Mr. PARENT: To what firm in particular were the subsidies granted?

Mr. MALCOLM: I have not the names to give to the hon. member. The Royal Mail Steam Packet Company have been the successful tenderers on the last few occasions. The point I wish to deal with is this, that while we have been paying out $340.000 for a service which is not satisfactory to the West Indian islands, our own officers now estimate that under the plan submitted by the Minister of Railways we are going to have an operating

deficit of $764,000. That is much more money than we have been paying out in subsidies but it is not to be compared to what private firms would have asked for the same service. The senior member for Halifax is unquestionably a good shipping man; he knows what it costs to run this service and make money out of it. No man in this House is in a better position than he is to judge; but I am inclined to think that he is underestimating the possibilities of trade on the western route. His firm did not see fit to figure on that route. They did give us a figure on the eastern service for which they are now obtaining $340,000, but the figure which they gave us was $582,000 for that service, which is one-half of the service. The western service they refused altogether to figure on.

As to the prophecy of the hon. gentleman, I must admit that I am not sufficiently acquainted with the trade in the West Indies or sufficient of a prophet to estimate what may develop or to contradict the hon. gentleman, but I have sufficient faith in the officers who have compiled the estimate to make this prophecy, that the hon. gentleman's estimate of a deficit of $2,000,000 will be shown to be absurd in the first two years of operation and more absurd at the end of the five years. Those acquainted with this trade have a feeling that much business will develop.

The subject is such an old one that I do not think it is necessary for me to review the history of this service since back in 1890 when Sir George Foster made his first attempt to effect trade treaties with the West Indies. I think hon. members do not want to be wearied with a review of the whole series of events leading up to the 1920 conference.

Mr. HANSON: Will the minister give us the figures on which he bases his estimate of the net deficit?

Mr. MALCOLM: The hon. gentleman is asking me for something which I cannot give him. This is a prepared set of statistics given by the National railways to the government. We have not done the accounting or actuarial work involved in compiling it. The estimate which the National railways make is made in three ways. The first plan is that if the boats were all built in Canada there would be a higher capital cost and therefore a greater interest charge and a heavier annual payment for depreciation. Under this plan the estimated deficit the first year is $818,000. If the boats were all built in Great Britain the estimated deficit would be $675,000. The plan which the minister submits is an average plan with three of the boats built in Canada and two built in Great Britain with an estimated deficit of $764,000. I am inclined to think—and I believe hon. members will agree with me—that we are not prone to overestimate deficits. It is not very long since 1921 when we came into this House and we were told that the deficits on the National railways could not be improved and that the system should be sold.

Mr. McGIBBON: Who said that?

Mr. MALCOLM: It was stated by a good many hon. gentlemen on that side and some on this side of the House.

An hon. MEMBER: On your own side.

Mr. MALCOLM: I said some on this side. It was even said by one hon. gentleman that the system should be sold for a dollar. There is not a man now who would sell the National railways for a dollar; there is not a man who is not proud of the success of the National railways. This steamship system is going to give to the shippers, to the passenger trade of this country, to our sister dominions and colonies an opportunity to do more trade and more travelling within the British Empire. It is going to provide a passenger service which I believe the people of this country will appreciate.

The trade of the West Indies and the trade of Canada do not in any way conflict. It is needless to read a long list of commodites which are exchanged between these two parts of the British Empire, but they do not conflict in any way. We have further plans for the development of trade with the West Indies, which plans we will reveal to the House at a later date. They will not involve an expenditure of such magnitude as this. After going over the trade figures with the West Indian islands on commodities which do not conflict with our products, I am firmly convinced that the trade figures, when this service is instituted, will reveal a very marked increase inasmuch as we shall be buying through Canadian ports many commodities which now come to us through United States channels. When I was speaking on the budget I made the remark that it is difficult to rely on statistics. We do more business with the West Indies and Cuba than we are credited with because a good deal of it passes through United States channels. There will not be as great an increase of business between Canada and the West Indies by virtue of this service as some people might imagine; but there will be more direct business through Canadian ports and over a Canadian system, and that

is the very thing that is going to make that service pay better than most people believe at the present time. If our freight can be brought direct from the West Indies, as we propose it shall be in these boats having the necessary cold storage capacity, we shall be diverting a certain amount of trade that now comes through the United States and is credited under Canadian imports as being of American origin, whereas in reality it is of West Indian origin. While I make that point, I want to be correctly interpreted. I doubt if the service is going to increase to such a great extent our business with the West Indies. It will to some extent, but there is only a certain volume of business that can be done there, and the increase is not going to be so much an increase in the volume of trade as in diversion of trade from American channels to Canadian channels and Canadian ports. To me, Mr. Chairman, that is the most important part of this service. According to our latest figures for 1926, in bananas, grape fruit, cocoanuts, spices, and so forth, we are buying from the West Indies somewhere about $15,000,000 worth of merchandise a year, but I firmly believe that actually we are buying over $20,000,000 worth of West Indian products. I believe that fifty per cent of our goods from the West Indies comes through American channels. We are selling to the West Indies about $17,200,000 worth of goods, but I believe that into the same territory goes a very considerable amount of Canadian export through American channels by reason of the scarcity of Canadian tonnage.

This service, Mr. Chairman, is designed to do two things. It is designed to give river trade in the summer to Montreal, and to divide the trade between Halifax and St. John in the winter, serving equally both transportation companies, the Canadian Pacific and the Canadian National. We as a government feel that we have to keep faith with the agreements of 1920 and 1925. We feel this is part of our contribution to empire unity. We realize that the cost is not going to be small, but we feel that we would be very much less than honest if we did not put on this service, and I say frankly to the House, Mr. Chairman, that I do not believe, after two calls for tenders, that the service can be put on in any other way than we are offering to the House to-night. We searched the field and endeavoured in every way possible to give every private interest the opportunity to figure on this service. We considered a subsidy also before we finally arrived at the conclusion we arrived at, and which we are now submitting to the House. If the service is installed, I am as hopeful as I was in 1921 of the National railway. I believe the figures as estimated will be found to be practically correct. We have discouraged any super-optimism on the part of the Canadian National Steamship Company officials as to what their probable earnings would be. We have figured from a very careful basis so far as the government is concerned, and my colleague the Minister of Finance has been most insistent that no undue optimism should be used which would result in him being asked to come back and apologize for the estimate in five years. That is all as a government we could do in compiling the figures.

I sincerely hope that the estimate of the senior member for Halifax is quite wrong. I personally think it is. I believe that with the growth and development of the service, the estimates as compiled by the officials will be found to be very nearly correct.

Just one word more with regard to the question of building these boats in Canada or in Great Britain. It is not a very serious matter whether all these boats are built in Canada, or whether three of them are built in Canada and two in Great Britain. It is a matter of $100,000 annually. It is a matter of policy for this House to determine whether they are prepared to face about another $100,000 annual deficit on the plan we have prepared in order to have all the ships built in Canada, or whether they are willing to effect another $100,000 saving annually by having them all built in Great Britain. We have chosen the middle course. We have been informed by the officials, in making their estimates as to the advisability of building two ships in Great Britain, that two of them can best be built in British shipyards on account of the refrigeration system that is required. My hon. friend a moment ago said that the refrigeration system was installed after the boat was built. Quite true, but it is on the installation of the refrigeration system that the British builders' figures are so very much lower than the Canadian builders' figures. It may be quite possible to import from Great Britain refrigeration plants and install them here, but the National railway experts felt that the two boats with the heavy refrigeration could best be built in Britain, and that the other three boats could best be built in Canada. Speaking for myself—I am not speaking for the Minister of Railways—

I do not believe the committee in charge of this matter would have any objection, if the House is in favour, and when the details are asked, to having all these boats built in Canada if it can be shown that they can be built economically in this country. I have no brief for either plan. We submit this as a middle course on the recommendation of those estimating on the service, so that we may have some figure to come to parliament with. When the plans are ready, they will be submitted to British and Canadian yards, and we believe that about $10,000,000 will provide the service asked for. Further than that, Mr. Chairman, there is very little I can contribute to the debate.

Mr. BLACK (Halifax): May I ask the Minister of Trade and Commerce what increase in trade he anticipates as a result of this proposed steamship service, giving the imports and the exports separately, if possible?

Mr. MALCOLM: I would answer my hon. friend by saying, without speaking authoritatively, that the western service to Jamaica is based on the tonnage of freight now being brought by the Canadian Government Merchant Marine to Canadian ports, plus the tonnage which will be diverted from American channels to Canadian channels, plus an increase in passenger service in line with the estimates of the passenger traffic officers. It is not estimated that there will be a heavy increase in the freight traffic in the service to the eastern group. There could not be a very heavy increase except through natural growth, but the officials have estimated on an increased passenger service due to greater frequency of service and better boats.

Mr. BLACK (Halifax): It seems to me that the estimate must have been a very, very conservative one, because I notice that there is only a difference in the twenty years of $200,000 in the loss which is estimated by the government to arise in the operation of the service. That would indicate to me that the increase in business would not be of any very great consequence.

Mr. DUNNING: My hon. friend said twenty years. If I said twenty years in regard to income deficits, that was an error. The figures I gave were for the first, fifth and tenth year respectively.

Mr. BLACK (Halifax): I should have said ten years.

[Mr. Malcolm.]

Mr. MALCOLM: In further reply to my hon. friend, I might give the tonnage of cargoes carried in seagoing vessels between Canada and the British West Indies for the fiscal years 1918 up to 1925:

Tonnage of Cargoes carried in Sea-Going Vessels between Canada and the British West Indies, Fiscal Years ended 1918-1925

(Compiled from the Shipping Report of the Customs and Excise Department).

	Inwards Freight Tons weight	Outwards Freight Tons weight
1918	130,928	120,002
1919	132,429	101,221
1920	135,864	156,045
1921	129,111	249,989
1922	161,851	183,353
1923	265,535	244,641
1924	178,491	245,176
1925	248,600	260,698

So in 1925, which is the last year for which we have the figures, the tonnage each year was exactly double what it was in 1918. In that short space of time, seven years, the total tonnage had doubled.

Mr. BROWN: The figures show a steady increase both inward and outward.

Mr. MALCOLM: Yes.

Mr. CANTLEY: In arriving at the suggested amount will the minister be good enough to inform the committee what arrangements are made regarding depreciation and interest charges?

Mr. MALCOLM: The estimate provides for the normal depreciation and interest at 4½ per cent.

Mr. CANTLEY: What is the normal depreciation in shipping property of this character?

Mr. MALCOLM: It is put in the form of a sinking fund at five per cent—four and a half per cent interest and the amortization of the whole amount.

Mr. CAMPBELL: I agree with the hon. member for Rosetown that a most important principle is involved in the placing of these contracts, whether we shall have the ships constructed in Canada at a considerably increased price, or whether we shall permit the officials of the Canadian Government Merchant Marine to secure them in the markets of the world and have the lowest possible capitalization. It is inconceivable that any private corporation, whether a railway company or a steamship company, would pay more for the construction of vessels in Canada than the amount at which they could secure a similar type of vessel outside of Canada, and certainly we must put our public enterprises

in a position to compete. Not only that, but if the capitalization of the ships is increased by reason of the fact that they are constructed in Canada, then we are saddling an extra capitalization on that trade between the maritime provinces and the West Indies. That means increased rates and necessarily an interference with the freer exchange of goods. I have a good deal of sympathy with the viewpoint that our own Canadian yards should be given these contracts and that our own workmen should receive the wages that would be paid out. No Canadian can ignore that, but it seems to me that the difficulty can be got over in another way, without adopting the middle course, as the Minister of Trade and Commerce suggests. I do not think there is any justification for the middle course. I think the government should decide on a definite policy, whether they are prepared to pay the extra price and have these ships constructed in Canada, or whether they should permit the officers of the Canadian Government Merchant Marine to procure these ships in the markets of the world at the lowest possible prices. That is the question the government should decide and they should decide on a definite policy. I do not suggest that they should say to the officers of the merchant marine that they should secure the ships in the markets of the world as cheaply as possible, but there is another way the government can get round it. If the government considers it is worth while for Canada, for Canadian shipyards and for Canadian workingmen, to pay the extra price, I think we should vote in this House the necessary estimates to pay that difference and have the capitalization at the amount for which they could be secured outside charged up to the merchant marine. To my mind that is the only fair way in which it could be done, and as a matter of fact I think I would be inclined to suggest that the government should follow the latter course. As a Canadian I should dislike to see the ships constructed in the shipyards of Great Britain or Europe.

An hon. MEMBER: Or Germany.

Mr. CAMPBELL: I have no prejudice against Germany. Perhaps my hon. friend has, but that is not involved in this question at all. I would ask my hon. friend, if he were a wholesaler or a private trader of any kind selling goods and could secure them cheaper in Germany than he could get them in Canada, would his patriotism go so far that he would not buy in the cheapest market?

An hon. MEMBER: It certainly would.

Mr. CAMPBELL: Then he is a better patriot than I am. If they decide to build ships in Canada I would be prepared to support such a policy as that, and I think that the extra price should not be charged up to the price of the ship. Let the government vote that money in the House and I would support it and consider it the proper way to handle the situation, because it would give our own working men and our own shipyards the money which was involved.

Mr. MALCOLM: My hon. friend (Mr. Campbell) has called upon the government to announce its policy. Well, the policy has been announced. We are not going to buy continental ships. Another question has been brought up by the hon. member for Pictou (Mr. Cantley) who says that probably it would be better to build all the ships in Canada on account of the equipment being standard in this country. I think that also applies to British-built ships. We as a government have offered to the House a program involving a certain amount. If we were to announce boldly in the House that we were going to buy all the ships in Canada they would probably cost a million more than they will under the present arrangement. As a government we want to buy them in Canada and we are asking for the amount of money we think the ships should cost. If the Canadian shipyards can construct the ships required for the amount of money we are asking the House to vote, we may buy them in Canada. The officers of the service have suggested that they believe two of them can be more economically constructed in Great Britain and that is why the estimate is as it is. If the hon. member wants an answer as to the government's policy I am prepared to give it to him. Possibly the volume of business coming to Canada by the construction of the boats in Canada will mean sufficient to pay the difference in cost. We might buy these ships in Germany for $2,000,000 less. It would be a saving of that amount, but I am not prepared to take $2,000,000 from Canadian shipyards and Canadian business to hand it to any foreign country at any time.

Mr. RYCKMAN: What was the lowest tender received for the service?

Mr. MALCOLM: There was none.

Mr. RYCKMAN: Could my hon. friend give me an estimate?

Mr. MALCOLM: No. On the eastern service, on which the Royal Mail Steam Packet tendered by virtue of the new treaty the

amount of $340,000 was raised to $582,000. On the western service they have refused to give us a figure.

Mr. RYCKMAN: The actual money involved in this project, taking into consideration what money is worth, would mean at the end of the first year $750,000, with a capital involved of $10,000,000, and this would mean that in order to carry all the in and out freight you are going to involve just as much in dollars and cents as you have pounds in annual in and out freight. While I am not one of those who go down to the sea in ships, I cannot imagine how any business that is going to parallel in tons the dollars that are actually involved can possibly succeed. It means there are $30,000,000 involved in this project, to carry, as I understood the minister to say, practically 30,000,000 pounds in freight. It will mean therefore that if these deficits are not paid you are really paying through the nose, because money is always worth four and one-half per cent. It means you are going to lose in the interest on the capital invested, and the deficits will be more than the value of the service will justify. It means therefore that this country is committed to a treaty which constitutes a bad business bargain, and we are now making it worse in the manner in which we are implementing it. I am bound to join in the protest that has been made to-night, for I am sure that we shall come back here year after year only to find that we have been running into a great expense which we could have avoided had we exercised business sense.

Mr. ARTHURS: I understood the minister to say he had no intention of having the ships built in any continental yards. In other words, they are not to be built in Germany. I commend him in that regard. He also intimated that they would be built in Canada provided always, that they came within the estimate.

Mr. MALCOLM: I did not say quite that.

Mr. ARTHURS: Suppose the combined cost of the ships exceeds the estimate of $10,000,000?

Mr. DUNNING: That is not the estimate; it is not the figure I gave.

Mr. ARTHURS: Well, it does not matter precisely what it is. Suppose the cost comes within a reasonable sum of the estimate, whatever it may be, will the preference then be given to Canadian yards as against British or foreign builders?

Mr. MALCOLM: I had better leave that question to the Minister of Railways.

[Mr. Malcolm.]

Mr. DUNNING: We do not intend tc say to the Canadian shipbuilders, "Here boys, you are going to get this business" That is not our intention. It is not good business.

Mr. ARTHURS: We are not asking you to say that.

Mr. DUNNING: We intend to get prices from Canadian and British yards and on the basis of the tenders we receive we shall exercise our best business judgment as to what should be done, having due regard to the national interests as outlined by members on both sides of the House to-night.

Resolution reported, read the second time and concurred in. Mr. Dunning thereupon moved for leave to introduce Bill No. 142, respecting the Canadian National Steamships and to provide for the establishment of a West Indies service.

Motion agreed to and bill read the first time.

CANADIAN NATIONAL RAILWAYS

REFUNDING OF FINANCIAL OBLIGATIONS

Hon. CHARLES A. DUNNING (Minister of Railways and Canals) moved the second reading of Bill No. 121, respecting the Canadian National Railways and to provide for the refunding of certain maturing financial obligations.

Motion agreed to, bill read the second time, and the House went into committee thereon, Mr. Marcil in the chair.

Sections 1 to 4 inclusive agreed to.

On section 5—Approval of governor in council.

Mr. STEVENS: This is the main clause of the bill. Is it an exact parallel of similar provisions found in other bills of this character or does it involve anything new? I have not had time to look it over.

Mr. DUNNING: I do not know of any other bill exactly of this character which has been passed before. This section, however, is a standard provision which we are introducing in all Canadian National bills having to do with the issuing of securities and with financing generally.

Mr. STEVENS: In what regard is it different from former bills of this character?

Mr. DUNNING: We have not to my knowledge had any refunding bills of this character before. It simply makes clear, what was formerly doubtful, that the terms and conditions with regard to securities are subject to the approval of the governor in council.

Section agreed to.

Sections 6 and 7 agreed to.

Bill reported, read the third time and passed.

DEBTS DUE THE CROWN

ADJUSTMENT OR DISCHARGE OF AMOUNTS DUE ON SEED GRAIN AND OTHER ADVANCES

Hon. CHARLES STEWART (Minister of the Interior) moved the second reading of Bill No. 122, respecting certain debts due the crown.

Motion agreed to, bill read the second time, and the House went into committee thereon, Mr. Marcil in the chair.

On section 1—Adjustment of indebtedness for certain allowances.

Mr. STEWART (Edmonton): When we were considering the resolution an hon. member asked for a statement of the outstanding accounts. I have a statement in my hand showing the total amount of securities taken for advances of seed grain and relief in the western provinces from 1876 to 1926 inclusive; the total repayments of principal to January 31, 1927, and the amount of principal outstanding as of January 31, 1927. From 1876 to 1926 the security taken amounted to $15,340,016.63, while the repayments of principal amounted to $12,005,353.77. The balance of principal outstanding as of January 31, 1927, amounts to $3,334,662.86. In connection with the joint loans, or loans made under the 50 per cent agreement, payments by the Dominion to the province of Alberta amounted to $875,108.09, and to Saskatchewan to $290,-913.52, while the total repayments from Alberta have amounted to $163,305.31 and from Saskatchewan to $37,514.20, or a total repayment of $200,819.51. That is the statement of the two provinces of the loans on this account. I went pretty thoroughly over the proposals of the bill the other day, but I omitted to say one important thing, namely that under the War Measures Act we had a similar provision for the settlement of these accounts, but on the cancellation of the War Measures Act of course our authority to compromise on these settlements disappeared, and that is what I am asking be now given us in order if possible to clear up these outstanding amounts.

Mr. STEVENS: The only criticism I would offer—or perhaps I would not put it so strongly—is that the bill is contained in one clause, and it gives a blanket power to the governor in council to make these settlements. I am under the impression that there should be some method outlined in the bill by which this settlement would be arrived at. For instance, I understand that it will probably be worked out in conference with the provinces and the municipalities, or probably the representative of the provinces who will represent the municipalities as well.

Mr. STEWART (Edmonton): In some cases the loan companies, who are foreclosing.

Mr. STEVENS: In some cases the loan companies as well. I presume the minister has a plan which would satisfy the committee as to the wisdom of the government's course. I am not offering this in a critical spirit at all, but it does seem to me rather a wide power to ask.

Mr. STEWART (Edmonton): May I say for the information of the committee that it is rather difficult to lay down hard and fast rules of settlement, and that is one reason why we are not fixing the procedure by statute. Inasmuch as practically the whole of the settlement will have to be by compromise arrangements with the provincial governments, or particularly with the municipalities through the provincial governments, it is largely a matter of the allocation of the amounts, because the properties will never realize the full amounts of the liens and obligations against them. Therefore there will have to be an allocation of the amounts, and I would like to cite one instance. At the moment there is an arrangement which we are endeavouring to put into execution whereby we will take all the area around the Bow river, bounded on the south by Medicine Hat and on the north by the Red Deer river and going ten ranges westward; we are endeavouring to put that territory under range conditions once more, and our officers are allocating certain areas with water privileges which we hope to lease rather than sell to ranchers over a long term of years. In most cases it is true that the provincial governments have proceeded under the tax enforcement act and are now the owners of a very large proportion of this property, subject of course to our liens which have priority. We hope to get those lands

down to a valuation on which reasonable rentals can be secured, to see whether we cannot transform that whole area back to the range conditions which prevailed before homesteading and settlement duties were permitted. So each individual case will have to be dealt with separately, and by that I mean every individual unit. We have a joint board which is advising both governments, and which will make an allocation of the amounts to be received by the crown and by the province for the taxation indebtedness; if there is any further creditor such as a mortgage company, a machinery company or a merchant having claims, the board will settle what proportion each creditor will lose in order to get an adjustment of that claim. That will wipe it off and get the land clear of any encumbrance once more.

That, I may say to the committee, is briefly one method of adjusting these claims. The other, of course, is where we are not endeavouring to do that, where there are scattered parcels of land which may be located anywhere in either of these provinces, in which the provincial government is interested with the municipality again behind the provincial government. In those cases representative officers of the two governments will try to arrive at an allocation of the loss to be sustained by each party. That is all the authority we are asking.

Mr. GEARY: Will this be a matter of dealing with individuals at all?

Mr. STEWART (Edmonton): No, unless you would call a mortgage company an individual.

Mr. GEARY: You will not deal with any individual owner?

Mr. STEWART (Edmonton): No.

Mr. GEARY: These men who paid back the $12,000,000 are not likely to be heard from either?

Mr. STEWART (Edmonton): My hon. friend will note that some of these claims go back to 1876. This will only apply where foreclosure is taking place and the property is being cleared up; it is not a compromise arrangement with some individual who may be on the land and who wants to settle his debts.

Mr. GARDINER: Will this proposal apply also to farmers who are still resident in this area?

Mr. STEWART (Edmonton): In the district I have mentioned, which we are endeavouring to transform from an agricultural to a ranching area, there are still some individuals on the land and they will be dealt with by the committee which has been named by the two governments.

Mr. GARDINER: What about the other areas where these liens are still in effect? I suppose it is proposed to deal with those areas also?

Mr. STEWART (Edmonton): Oh yes, it is proposed to deal with other cases. My hon. friend will realize that unless proceedings of this sort are taken there is little or no hope of making an arrangement, because we cannot get all the interested creditors together.

Mr. STEVENS: You are not going to abandon claims in which there is any likelihood of payment being made?

Mr. STEWART (Edmonton): No.

Mr. GARDINER: Let us presume for a moment that the farmer is still residing on the property. There are liens registered against that property and accrued interest to such an extent that it is impossible for him to pay them off. Will not that resident farmer have the opportunity of coming under the scope of this legislation?

Mr. STEWART (Edmonton): If my hon. friend will stop to think for a moment he will see how impossible it is to deal with that particular case, regrettable as it may be. The best thing for that man to do if he is in such a position is to allow the sale to take place and buy in the property.

Mr. GARDINER: What will he buy it in with?

Mr. STEWART (Edmonton): He becomes obligated for any amount that may be considered reasonable, but in nearly every case as my hon. friend knows there are at least a half a dozen registered liens against his property. I wish there were some way of dealing with such cases but frankly I must confess there does not appear to be any. If I were in that position I would readily say: clean me out and let me start over again.

Mr. GARDINER: I think I might suggest to the minister a possible way out of that situation. But first of all let me say this: take the farmer who went into that semi-arid belt at the behest of the federal government. He was offered a homestead and a preëmption at $3 an acre. That land was represented to him as being good agricultural land. There is no question about that, and

the district filled up very rapidly say from the year 1909 up to about the year 1912. That whole area was filled up in about three years time.

Mr. STEVENS: Does my hon. friend refer to that area south of Medicine Hat?

Mr. GARDINER: And north of it, north of the Red Deer river. There are many farmers there. They all went into wheat farming because it was represented to them that this land was good wheat land. Many of those farmers have stayed with that proposition through thick and thin. I will admit that when the dry years came it would have been far better for all concerned if they had got out of the district, but they did not; they remained with the property right up to the present time. Now I maintain that people who have faith in the country to that extent ought to receive some consideration. They have proven that they are the kind of people that we want for this country. The people who have gone out are those who could not stand the gaff, but the settlers who remained deserve some consideration. Therefore I suggest to the minister that some means should be found whereby their liabilities would be compromised to some extent. Under the amendments to the Bankruptcy Act a few years ago, and through the debt adjustment bureau in Alberta, they have been able to compromise many of the debts in those areas.

Mr. STEWART (Edmonton): There is no difficulty about that.

Mr. GARDINER: I would suggest to the minister that in drawing up these regulations that point should be kept in mind, so that a farmer now resident out there who has become embarrassed may come under this scheme and have his liabilities compromised so that he will be able to remain. Because after all the people who are there now have proven their worth and should be given some consideration.

Mr. STEWART (Edmonton): There will be no difficulty at all about that, because the debt adjustment officer is an official of the provincial government and such a case would come within the purview of this act

Mr. GARDINER: You have received a report from the joint commission?

Mr. STEWART (Edmonton): Yes.

Mr. GARDINER: Would it be too much to ask that you place a copy of the report on the table?

Mr. STEWART (Edmonton): I shall be very glad to have a copy of the report placed on the table.

Mr. GERSHAW: I should like to point out a few facts as to the necessity for this legislation. The municipalities, the loan companies and individuals are all interested. As has been said, these liens date from 1876. About 1910, 1911 and 1912, a great number of people went in and filed on homesteads, and took up preëmptions on that land which was then thrown open for homestead purposes. During the years that followed many farmers found it necessary to give up, and in one year, namely in 1915, security was taken to the extent of $12,000,000 for the relief that was given out. There were good crops in 1915 and 1916, and a great part of these obligations have been paid off. Owing to the lean years which followed, however, many people have found themselves quite unable to pay their obligations. When the settlers went in homes were built and stock purchased; school districts were organized and small towns were built up. But as the result of a succession of dry years these small villages were almost deserted, and the school districts could not carry on. I know of one municipality where thirteen school districts were in operation but where now there is only one. In the Tilley area which the minister has mentioned there were formerly fifty-seven school districts in operation; now there are only thirteen. As the people moved out they left their debts behind, and of course the merchants, machinery companies, and others have suffered to a greater or less extent. Those people could do nothing else. It was impossible for them to pay their debts, and through no fault of their own they found themselves in that condition. Many of them have left, and the Tilley commission found that in one district in which they made investigation 85 per cent of the farms were deserted. In any case there is not sufficient security left to satisfy these relief claims. At the present time I understand there is no one who has authority to cancel those claims, so I think this legislation will help to improve matters to some extent. Those claims for relief were placed against the land prior to the municipal or school claim for taxes, and prior to any claim that the mortgage companies may have had and those having claims were not notified. Where mortgage companies have instituted foreclosure proceedings and taken over the land they find that these prior

claims have rendered their equity null. One large insurance company has discontinued the payment of taxes on their extensive holdings, and this makes it very difficult for the farmers who have remained to pay the taxes for local purposes. In many cases the municipalities have taken over this land for the non-payment of taxes, but they found prior liens registered against the land, and in many cases the liens are of greater value than the land itself. For instance I know of one quarter for which the municipality was offered $500 but against which the amount of liens was more than $1,000.

This legislation is particularly important in the interest of those farmers who are remaining on the land, and who have struggled along through all the bad years in the effort to maintain their homes. If that land was made available at a low rate for grazing or for purposes such as that, it could be made use of. Rates should be regulated according to the number of acres required to care for so many head of stock. These people would thus be placed in a much better position to carry on and to maintain their homes, and we should try to keep them there because they are the greatest assets that we have. Their experience is of great value. It is necessary that some organization should have the right to reduce or cancel these claims. In many cases they should be cancelled outright. There is little security left. The men who are there have a debt that is twelve or fifteen years old, and I really believe the department should deal very generously with those claims and see that fairness is done to all parties.

Section agreed to.

Bill reported, read the third time and passed.

SUPPLY

DEPARTMENT OF PUBLIC WORKS

The House in committee of supply, Mr. Marcil in the chair.

Public Works—New Brunswick

St. John custom house—improvements and repairs	$15,000
St. John new post office building—repairs and improvements	4,400
St. John old post office building—restoration and repairs	4,000

Mr. MacLAREN: Does this complete the restoration of the old post office?

Hon. J. C. ELLIOTT (Minister of Public Works): It is expected that this $15,000, which is a revote, will complete the following repairs to the St. John customs house:

Painting and glazing, exterior wood and iron work, etc	$ 2,200
Repairs to sheet metal and copper work	300
Repairs to carpentry work	400
Repairs to masonry	400
Interior painting	2,000
Remodelling plumbing, and toilet accommodation	8,800
Contingencies	900
	$15,000

This is being done as a result of a report from the chief architect which is as follows:

All of the above works are urgently required, and I would recommend that an item be placed in the supplementary estimates for 1926-27 as the amount required for these works is too large to be taken out of the general vote for the maritime provinces.

Item agreed to.

Maritime provinces generally — Dominion public buildings—improvements, repairs, etc., $43,000.

Mr. GARDINER: Are these for unforeseen expenditures?

Mr. ELLIOTT: This is the general vote. It is about the same as the general vote for those purposes in the maritimes has been for many years.

Item agreed to.

Quebec—Baie St. Paul, public building, $20,000.

Mr. GUTHRIE: Will the minister explain this item?

Mr. ELLIOTT: This amount of $20,000 is required for the purchase of a site and the erection of a building for postal purposes in the town of Baie St. Paul. Of this amount, $3,000 is for the purchase of a site, $12,000 for a building, $2,500 for fittings and lock boxes, $1,000 for grading and sidewalks, and $1,500 for contingencies and superintendence, making a total of $20,000.

Mr. GUTHRIE: What is the necessity for a building of this kind in this place?

Mr. ELLIOTT: The present facilities are not at all adequate for the purpose and the Post Office Department have stated that due to rural mail delivery routes starting from this point, the office as at present located is insufficient for the distribution of the mails. Baie St. Paul is the forwarding office for Rang St. Gabriel, Clairvaux de Charlevoix, Cap à la Branche, Ile aux Coudres, La Baleine,

Point des Roches, Belley, St. Hilarion du Lac. St. Hilarion, La Mare, St. Urbain de Charlevoix, Bas de la Baie, and three others.

Mr. GUTHRIE: What is the size of the town and what is the revenue from the post office?

Mr. ELLIOTT: The population of the town is somewhere under 3,000 and the revenue for the last fiscal year was $3,867.

Mr. GUTHRIE: I suppose that is gross?

Mr. ELLIOTT: I think so. The town has more than doubled in population in the last twenty-five years. It is a quite rapidly growing town now.

Mr. ERNST: What is the present population of the town?

Mr. ELLIOTT: Somewhere under 3,000.

Mr. STEVENS: That is a safe bet.

Mr. ELLIOTT: It is very close to that.

Mr. CASGRAIN: It is the chief town of Charlevoix county.

Mr. GUTHRIE: This is just another instance of the way the money of the country is being spent unnecessarily. Here is a post office in a small town of less than 3,000 people, with a gross revenue of about $3,500 and a net revenue probably of half that. It is now proposed to take the revenues of this post office for ten years to pay for a post office building. The last time these estimates were before this House we had another such expenditure proposed by the government, only the amount involved in that case was $12,000. The post office is not a mine of wealth at the present time. We have been reducing postage and giving the people cheaper facilities, and surely it is a bad principle to use the revenues of a post office for ten or twelve years to pay for a single post office building. That is what is proposed here. I call it wasteful, reckless financing. I wish the Minister of Finance were in the House. It was but a few days ago that he estimated his revenue for this year at $366,000,000. He has brought down estimates here totalling $356,000,000, and we have in addition railway estimates of $22,000,000, so that on his own showing, without the supplementary estimates, he is going to come short. He says also that he has $100,000,000 of maturing obligations this year, and he desires to pay off some of these out of revenue. On his own showing again he is going to be short. At the same time the government of which he is a member is unnecessarily spending money on public buildings. As I said before, if we had the money in the treasury, if our finances were in a flourishing condition, these buildings might be all right; they might be very appropriate in these places. But these places have waited for a long time without any very great public inconvenience that we know about, and I say there is no warrant whatever for the expenditure of $20,000 at this place any more than there is for the expenditure of $12,000 at Kensington, Prince Edward Island. If these places get these buildings, what about the other parts of Canada? Surely there are towns more important and with a larger postal revenue which need postal accommodation much more than this place. I would press on the government to drop these items. I do not suppose they will, but I am going to show my disapproval of them, just as I did the other night, by moving that this item be struck out.

The CHAIRMAN (Mr. Marcil): The motion is out of order because it is simply a negative motion.

Mr. GUTHRIE: I then move to reduce the item by $18,000.

Mr. STEWART (Leeds): Does the government own a building at this place, or is postal accommodation being rented?

Mr. ELLIOTT: The information I have is that there is a very bad condition there on account of the number of offices that have to be served by this building.

Mr. STEWART (Leeds): But does the government now own a building there, or are they renting one?

Mr. ELLIOTT: The post office occupies a small space in the town hall, eighteen by six feet.

Mr. STEWART (Leeds): What rental is being paid?

Mr. ELLIOTT: I do not think rent is being paid. The accommodation is wholly inadequate for the distribution of mail.

Mr. STEWART (Leeds): What I wish to point out, in addition to what the leader of the opposition has said, is that there will be a large sum for the maintenance of this building each year, thereby seriously decreasing the present revenue.

Mr. ERNST: In the supplementaries for 1926-1927 there was an item of $4,000 for a site for a public building in this place. Is that included in the $20,000?

Mr. ELLIOTT: Perhaps my hon. friend was not in when I gave the items which

make up this $20,000. They included the site, estimated at $3,000, and the building, $12,000. I quite agree with what the leader of the opposition has said about a great many places needing additional postal facilities but it is quite impossible to provide it all in one year. What the government is trying to do is to proceed just as carefully as it can with providing accommodation only where it is urgently needed, just like the repairs at St. John. Nothing is being done under the vote asked for here that is not urgently required for the public service.

Mr. HANSON: Has any attempt been made to get increased accommodation by renting an office, or is this simply another payment of an election debt?

Mr. ELLIOTT: Not any more than the improvements in St. John are the payment of an election debt.

Mr. HANSON: The improvements in St. John are necessary.

Mr. CASGRAIN: I think it my duty to say a few words in reference to this item for a public building at Baie St. Paul, which has been criticized by the hon. leader of the opposition. It may be that when the House is informed of the condition there, and the reason for this vote there will not be so much opposition to it.

As has been well pointed out by the Minister of Public Works, this money is being appropriated for the construction of a post office building at Baie St. Paul, which is the chief town in the county of Charlevoix. The county of Charlevoix, including Baie St. Paul, is one of the largest districts below Quebec. The building in which the post office is located comprises the court house, the magistrate's court, which holds its sittings there, and the registration office, and to the post office a very small room is allotted by the county council. The accommodation is totally inadequate for the postal service in that district. The post office has been, I might say, sponging on the county council for the last twenty-five or thirty years. The post office has hardly as much space as the ordinary room allotted to members of the House here, and that is where the sorting and distribution of the mail has to take place for the whole district. Baie St. Paul is a distributing centre for the mails for the village, parish and the municipality of St. Laurent, as well as for the municipalities and rural routes such as St. Hilarion du Lac, St. Gabriel, Clairvaux de Charlevoix and Ile aux Coudres, with four post offices to serve.

[Mr. Elliott.]

I might point out to my hon. friend that it is not a new thing to construct post offices in other parts of the province of Quebec and elsewhere where the population is not so large as it is at this place, because the government that preceded the Union government in 1914, just at the outbreak of the war, when it was very necessary to economize, put up a post office building costing over $35,000 at Murray Bay, where the population was about the same size as at Baie St. Paul to-day. I say that if it was necessary for the Borden government of that day, on the outbreak of the war, when economy was very necessary, to spend that large amount of money, we can well afford to give to the district of Baie St. Paul to-day the same postal facilities that other parts of the province of Quebec and the country at large have been enjoying for years past. In view of these conditions I feel that the committee should not be reluctant to grant this vote.

Motion (Mr. Guthrie) negatived.

Item agreed to.

Chicoutimi public building—addition, $26,500.

Mr. ELLIOTT: This amount is required for the construction of a two-storey addition 23 feet wide by 44 feet long along the east side of the public building at Chicoutimi, as a means of providing increased accommodation for the postal and customs service. The building is too small.

Mr. LUCAS: Is it a revote?

Mr. ELLIOTT: No.

Item agreed to.

Drummondville public building—addition, $13,000.

Mr. ERNST: I should like to point out that this item was in the supplementaries, and while some of the items from the Conservative constituencies in Nova Scotia have been dropped, this item has been placed in the main estimates again.

Mr. ELLIOTT: In that regard, it is in exactly the same position as the St. John customs house and the St. John post office. It is not a question of its being a Conservative or a Liberal riding; it is a question of urgency. Only those matters that are absolutely urgent are put in.

Mr. ERNST: Does the minister not consider that a vote passed by this House last year in respect to a post office at Mahone bay should be just as urgent.

Mr. DUFF: No.

Mr. ERNST: I am asking the Minister of Public Works.

Mr. ELLIOTT: I have no doubt that my hon. friend feels that the requirements at Mahone bay are perhaps greater than in any other riding in the country.

Mr. ERNST: Not at all.

Mr. ELLIOTT: In common with many other matters, as soon as the government can see its way clear to do so this matter will receive consideration, but at the present time the government is trying to meet the requirements only of the urgent cases. My information in regard to Mahone bay is—there was a report and it was in the supplementary estimates—that the congestion is not so great there as in this particular case.

Mr. ERNST: Why was the vote in last year's supplementaries if it is not in the main estimates this year?

Mr. LAPOINTE: It was a mistake.

Mr. ERNST: Does the hon. gentleman admit the mistake?

Mr. HANSON: Is the statement of the hon. member for Antigonish-Guysborough correct, that he had it struck out of the estimates?

Mr. CHAPLIN: Ordered it out.

Mr. HANSON: Yes.

Mr. ELLIOTT: I might say that there never was an interview between the member for Antigonish-Guysborough and myself in regard to Mahone bay. We have the reports from the officers, St. John is exactly in the same category. I saw nobody in connection with it. I go over the reports that come in from the officers, and we are trying to give the services which we cannot delay any longer.

Mr. MacLAREN: The post office at St. John was nearly destroyed by fire, and there was no way out of it.

Mr. ELLIOTT: It is an absolutely urgent expenditure.

Mr. ERNST: I should like to point out that the word "interview" is rather an evasive word, but with regard to Mahone bay—

The CHAIRMAN (Mr. Marcil): The hon. gentleman would not be in order to discuss Mahone bay.

Mr. ERNST: I am discussing it on the intimation of the minister that certain estimates which were in the supplementaries have been included in the main estimates, by reason of the fact that the Auditor-General's department, or whoever compiled the estimates, made a mistake. The hon. member for Antigonish-Guysborough made the statement that the people of Mahone bay had requested him to see that this item was not in the estimates. The next day, as soon as I saw it in the press, I had a telegram—

The CHAIRMAN (Mr. Marcil): The hon. member is out of order. We are now on the item for the Drummondville public building.

Mr. ERNST: I do not think—

Some hon. MEMBERS: Sit down.

Mr. GUTHRIE: I rise to a point of order. The hon. member is quite in order in referring to another item under Drummondville. He may make a comparison—

The CHAIRMAN (Mr. Marcil): The practice is to permit discussion by way of comparison, but this is somewhat different—

Mr. GUTHRIE: It was only by way of illustration.

The CHAIRMAN: I think he is out of order.

Mr. GUTHRIE: He is well within his rights, I submit, to discuss Vancouver or any other place, by way of comparison.

Mr. ERNST: I am much indebted to the leader of the opposition for the opportunity he has afforded me. The member for Antigonish-Guysborough stated that the people of Mahone bay had requested him—

Some hon. MEMBERS: Order, order.

Mr. ERNST: I say that the item concerning Mahone bay was not placed in the main estimates—

Some hon. MEMBERS: Order.

Mr. ERNST: The very next day I—

The CHAIRMAN (Mr. Marcil): I cannot allow this discussion on the Drummondville item.

Mr. ERNST: I will abandon it—

Some hon. MEMBERS: Order, order.

Mr. ERNST: —and will merely state—

Some hon. MEMBERS: Order.

Mr. GUTHRIE: Order yourselves.

Mr. ERNST: It is most extraordinary that estimates for buildings in certain constituencies that had been in the supplementaries were also placed in the main estimates, but items relating to other constituencies which voted Conservative were left out.

Item agreed to.

Mr. STEVENS: I think we have given the government very generous treatment to-day, and the exhibition we have witnessed in the last two or three minutes indicates that the committee is not going to have peaceful discussion. It is now eleven and I suggest that the committee rise, report progress and ask leave to sit again.

Mr. MACKENZIE KING: I agree with my hon. friend that we have made fair progress.

Mr. ELLIOTT: My hon. friend understands that the item respecting Drummondville has been carried?

Mr. STEVENS: Yes.

Progress reported.

FOOD AND DRUGS ACT, 1920, AMENDMENT

Right Hon. W. L. MACKENZIE KING (Prime Minister): Before the adjournment of the House I move that the following names be added to the list of members comprising the special committee to which has been referred Bill No. 105, to amend the Food and Drugs Act, 1920: Messieurs Gervais, Howden, King (Kootenay), Totzke, Johnstone (Cape Breton North-Victoria), McQuarrie and Preston.

Mr. SPEAKER: This motion is made with the unanimous consent of the House. Is it the pleasure of the House to adopt the motion?

Motion agreed to.

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

Friday, March 11, 1927

The House met at three o'clock.

ALLIED INDIAN TRIBES OF BRITISH COLUMBIA

JOINT COMMITTEE TO INQUIRE INTO CLAIMS

Mr. SPEAKER: I have the honour to inform the House that I have received the following message from the Senate:

Resolved that a message be sent to the House of Commons by one of the clerks at the table to acquaint that House that the Senate hath appointed the Honourable the Speaker of the Senate, the Hounourable Messieurs Barnard, Belcourt, Green, McLennan and Taylor, as members of a special committee, to meet with a similar special committee of the House of Commons, to inquire into the claims of the Allied Indian Tribes of British Columbia, as set forth in their petition submitted to parliament in June, 1926.

[Mr. Ernst.]

PRIVATE BILLS

FIRST READINGS

Bill No. 143, to amend "An Act respecting The Brandon, Saskatchewan and Hudson Bay Railway."—Mr. Thorson.

Bill No. 144, respecting The Midland Railway Company of Manitoba.—Mr. Thorson.

WELLAND CANAL—IMPORTATION OF TIMBER

On the Orders of the Day:

Hon. CHARLES A. DUNNING (Minister of Railways and Canals): The hon. member for Vancouver Centre (Mr. Stevens) addressed a question to me yesterday with reference to the purchase of timber for the Welland canal. I find that there has been no timber purchased since 1924, so I presume my hon. friend must refer to that particular purchase. I have here a copy of an order in council relating to the matter which I will be pleased to hand to my hon. friend together with certain other information.

SUPPLY

DEPARTMENT OF PUBLIC WORKS

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

Public Works—Kenogami public building, $31,000.

Mr. GUTHRIE: What is this for? Has the minister some explanation? We do not know anything about this.

Hon. J. C. ELLIOTT (Minister of Public Works): This amount of $31,000 is required for the construction of a public building in the town of Kenogami for postal purposes on a site situated at the corner of King George avenue and Ste. Famille street, purchased from J. O. Lacroix for the sum of $5,800.

Mr. GARLAND (Bow River): What is the population and the amount of business done by the post office there?

Mr. ELLIOTT: The population in 1921 was 2,557, and is now somewhere around 3,000, I understand.

Mr. GARLAND (Bow River): What is the revenue?

Mr. ELLIOTT: The revenue is $7,262.45.

Mr. GUTHRIE: This is just another of these cases where, with a gross revenue of $7,000 it is proposed to spend $31,000 on a new building; our net revenue from that post office for the next ten years will go into that building. Is the building under construction, or has it been started?

Mr. DUBUC: In connection with this proposed post office I may say that the town of Kenogami is very close to Jonquiere, where Price Brothers have their large paper mill, and it is also very close to the large aluminum plant which is being built. Within the last year the population of Kenogami has doubled; there are now 5,000 people in that town with no postal accommodation whatever. The post office to-day is located in a store.

Mr. GUTHRIE: Cannot the government rent premises there?

Mr. DUBUC: Not in any place that we know of. It is a new village and even the population can hardly find the requisite lodging because of the tremendous development produced by the operations of the aluminum company and the paper mills at Kenogami.

Mr. LAPOINTE: That is where Price Brothers have their big plant.

Mr. GARDINER: What is the explanation of the high cost of the lot? The sum of $5,800 seems to be a very high price for a lot in that village.

Mr. ELLIOTT: I assume it is the same reason that brings about high prices wherever a town seems to be booming. The population has doubled there within the last five years, and business seems to be very active. Not only have sites increased very greatly in value but buildings also.

Mr. GARDINER: When was this lot purchased?

Mr. ELLIOTT: The lot was purchased on the 21st October, 1925.

Mr. GUTHRIE: Was it purchased by private treaty or by public competition? Were tenders called for? I notice the purchase was made six weeks before the election. From whom was it purchased?

Mr. ELLIOTT: It was purchased from Mr J. O. Lacroix.

Mr. GUTHRIE: What officer of the government did the purchasing, or how was it done?

Mr. ELLIOTT: I assume the lot was purchased in the usual way. An officer of the department is usually sent down and looks over the lot. I may say to my hon. friend very frankly that my notes do not indicate what steps were taken towards purchasing it, but I assume it was done in the manner indicated.

Mr. GUTHRIE: Can the minister tell me the name of the officer in the department? There are some good officers and some that are not good ones.

Mr. ELLIOTT: They are nearly all good in the department.

Mr. GUTHRIE: Oh, no, they are not.

Mr. SPENCE (Parkdale): Did you buy the land down there by the acre or by the foot? Tell us what the assessment is and we will find out what the value should be.

Mr. DUBUC: This is a corner lot and was bought by the foot two years ago, but it could not be purchased to-day for the price the government paid.

Mr. SPENCE (Parkdale): How many feet are there in the lot? You have not furnished the information asked for yet.

Mr. DUBUC: The approximate dimensions are 75 by 125 feet. It is at the intersection of two important streets. It is the finest site in Kenogami being right in the very centre of the town.

Mr. GARLAND (Bow River): All I can say about it is that the whole business looks a little funny. I am not in a position to criticize the transaction in detail. If I had all the information—and I am sure some of the hon. members who live in the district must have—it might appear to me to be all right. Let me say, however, in closing this this matter as far as I am concerned at the moment, that I hope that next session when I come forward and ask for a post office building in a town of this size, or larger, and with far greater prospects of development than this—

Some hon. MEMBERS: Oh, oh.

Mr. GARLAND (Bow River): Yes—

Mr. CANNON: You had better go and see what is taking place there.

Mr. GARLAND (Bow River): —I will not be faced with the difficulties that I have mentioned.

Mr. LAPOINTE: There is no Kenogami in your district.

Mr. GARLAND (Bow River): Drumheller is likely to develop to as great an extent as Kenogami if not greater.

Mr. LAPOINTE: No doubt Drumheller is a progressive place and a fine town but my hon. friend should have more information when he talks of a subject like this. Kenogami is in the very centre of the district where the great developments are taking place on the Saguenay river. There is a town just near Kenogami which did not exist two years ago but where there will be 30,000 people next

year. My hon. friend is really wrong when he says there are no prospects of development there.

Mr. GARLAND (Bow River): The statement of the Minister of Justice as to my ignorance of conditions there would come with better grace from him if the minister handling the subject knew more about it.

Mr. LAPOINTE: But my hon. friend is stating the facts as he does not know them.

Mr. GARLAND (Bow River): He has not got all the facts.

Item agreed to.

Limoilou—public building, $70,000.

Mr. GUTHRIE: Will the minister give us pretty full information as to this item? It is a very big vote for a public building.

Mr. ELLIOTT: Tenders have been let, and we are asking for $50,000 instead of last year's vote of $70,000.

Mr. CANTLEY: Would the minister be good enough to speak up?

Mr. ELLIOTT: I will do the best I can and try to make my hon. friend hear. I am going to ask for $50,000 instead of $70,000. If one of my colleagues will make the motion we will have that change made. This amount of $50,000 is required for the erection of a public building on a site situated on La Canadierre road in the town of Limoilou. The proposed building will be a two storey stone structure 52 feet wide by 40 feet deep with a one storey annex at the rear 39 feet wide by 14 feet 6 inches deep. The building will provide accommodation for the postal service on the ground floor and will have offices and caretaker's quarters on the second floor.

Mr. MANION: What is the population?

Mr. LAPOINTE: Limoilou is part of the city of Quebec.

Mr. ELLIOTT: It is hard to say what the population of the particular district served by the post office is, because Limoilou really forms part of the city.

Mr. MANION: Is it a subsidiary post office of the city of Quebec?

Mr. ELLIOTT: Yes.

Mr. LAPOINTE: It is on the other side of the St. Charles river.

Mr. GUTHRIE: Well make the reduction and we will let it go.

Mr. DUNNING: I will move the reduction at the request of the minister.

[Mr. Lapointe.]

The CHAIRMAN: What is the reduction?

Mr. ELLIOTT: We are asking for a revote of $50,000.

The CHAIRMAN: It is moved by Mr. Dunning that the amount for public building at Limoilou be reduced by $20,000.

Amendment agreed to.

Item as amended agreed to.

Maisonneuve—public building, $25,000.

Mr. MANION: What is the explanation of this item?

Mr. ELLIOTT: This amount of $25,000 is required for the fitting up of the old city hall building at Maisonneuve, which was purchased in 1926-27 from the municipal authorities for postal purposes. The purchase price of the building was $100,000, and the fitting up is estimated to cost $25,000.

Mr. MANION: When was the building purchased?

Mr. ELLIOTT: During the past year some time.

Mr. MANION: And what is the population of Maisonneuve?

Mr. LAPOINTE: It is part of the city of Montreal.

Mr. GUTHRIE: The purchase price was $100,000?

Mr. ELLIOTT: That was the purchase price.

Mr. GUTHRIE: Last year there seems to have been a vote of $50,000 and this year we are asked to vote $25,000. How did we pay for the building?

Mr. ELLIOTT: That $50,000 I think is wrong. I have a note here which says that the amount of $50,000 in the 1926-27 column in the printed book was inserted by the Finance department. It is wrong; the correct amount is $125,000.

Mr. GUTHRIE: $100,000 for last year and $25,000 for this year?

Mr. ELLIOTT: Yes.

Item agreed to.

Montreal general post office—reorganization, $50,000.

Mr. GARLAND (Bow River): Explain.

Mr. ELLIOTT: This is required for the reorganization of the interior arrangements, fittings, installations and so forth as a means of providing improved facilities for the

handling of mail. This reorganization has not been finally worked out, but tentatively it will include change of locations in the various branches of service in the building, and the installation of mechanical aids.

Item agreed to.

Montreal—ordnance stores building, $21,377.

Mr. ELLIOTT: This amount is to provide for the seventh and final payment on the purchase of the Grant garage, No. 1 Hillside avenue, Westmount, together with possible interest charges on delayed payment from May 1, 1927. By July 1, 1927, the whole of the appropriation will be available. The total cost is $165,200.

Mr. GUTHRIE: That is for the Department of National Defence?

Mr. ELLIOTT: Yes.

Item agreed to.

Montreal—postal station in Outremont division, $50,000.

Mr. GUTHRIE: This is a new vote?

Mr. ELLIOTT: Yes, for the purchase of a site and the erection of a building thereon.

Item agreed to.

Quebec Citadel—Governor General's quarters —additions, alterations and improvements, $100,000.

Mr. HEAPS: Explain.

Mr. ELLIOTT: This vote is required for the remodelling of the Governor General's quarters in the Quebec citadel. The improvements embrace works of a miscellaneous character consisting of the remodelling and renovating of the quarters and the erection of a permanent addition for servants' quarters, kitchen and so forth. The work, it is estimated, will cost approximately $100,000. This was formerly the residence during part of the year of the Governor General, but the premises have fallen into disrepair to such an extent that the improvements will require the amount specified here, if the place is to be made habitable. It is Their Excellencies' desire to visit Quebec city twice a year.

Mr. HEAPS: Would it be possible to secure a suite at the Chateau in Quebec for the use of Their Excellencies, and so avoid this expenditure?

Mr. ELLIOTT: I have no doubt it would be possible to get a suite there, but I can assure my hon. friend that the item has not been inserted in the estimates without the most careful canvass of the whole situation Even if satisfactory quarters could be obtained elsewhere for the accommodation of Their Excellencies, the government are of the opinion that we should not abandon this old historic building, a part of which was built over a hundred years ago. It is perhaps one of the most valuable historic monuments that exist on the American continent to-day, and is of interest not only to Canadians but generally.

Mr. GUTHRIE: I agree with the minister in regard to this vote. I think we ought to preserve this historic monument of past days for it is something in which every citizen of Canada should take a just pride. I have not visited the citadel since the Duke of Devonshire was here as Governor General, and even at that time the whole premises were sadly out of repair. If nothing has been done in the intervening years the place must be in a very dilapidated condition to-day. Possibly the amount asked for, $100,000, is large, but having regard to the fact that this is one of the outstanding historic sites in Canada I believe that the people of the country desire to have it maintained in a condition befitting our wealth and consequence in this land. While I am disposed to criticize much of the outlay proposed in these estimates, while I do oppose political expenditures throughout the country on post offices and other buildings for which there is no need at the present time, I am inclined to commend this vote, and I hope that the money we are now granting will place the Quebec citadel in proper shape, not only for the comfort of Their Excellencies, but also as a monument in which the Dominion at large is interested.

Mr. HEAPS: I have no desire to criticize any amount the government may spend to maintain historic buildings in Quebec or anywhere else in Canada. May I point out, however, that we have had no explanation so far as to how much money is going to be spent on the kitchen and how much will be devoted to the restoration of the historic portion of the premises. It is just possible that an inadequate proportion of the vote will be spent for the purpose indicated by the leader of the opposition, and in that case the grant will be altogether contrary to the views he has expressed. The minister might tell us how the $100,000 is to be apportioned.

Mr. ELLIOTT: I am unable to give very definite details. The architect has been over the building but I may frankly tell my hon. friend that at this time of year it is quite difficult to estimate what it will cost to preserve a considerable portion of the existing

structure. This vote is merely an estimate. The full amount will, however, be required and before the department is able to put the premises in that permanent shape which we desire, I rather think the amount will be exceeded. An attempt is being made to render the place habitable, as it is not now, both for winter and summer. Furthermore, a good deal of furnishing will be required as well as inside fittings. This is the estimate which the architect, after a careful survey of the whole place, was able to submit to us.

Mr. HEAPS: How long is it intended that the citadel will be occupied by Their Excellencies?

Mr. ELLIOTT: Of course, that depends upon the occupant. I should like to be able to give my hon. friend more information in regard to the matter, but I really cannot say how long they intend to keep up the old traditions in regard to retaining their headquarters at the citadel for a portion of the year.

Mr. BOURASSA: May I ask if the battlements, the walls, of the old citadel and everything connected with it are under the jurisdiction of my hon. friend's department?

Mr. ELLIOTT: The fortifications are under the Department of National Defence. I can give my hon. friend an exact description of the portion under Public Works, which is the part occupied for residential purposes.

Mr. BOURASSA: In case I may not be here when the National Defence estimates come before the House, I may say that I passed in front of the citadel last fall, and I observed that the walls and battlements were in a very bad state. Certainly there is urgent need of works and repairs for the preservation of that historic monument—I think much more urgent from that point of view than the object of the present item; I do not mean from the other point of view presented by the minister. The matter of the preservation of the monument has been neglected for some years past. I have observed, for example, in the moat surrounding the citadel and connected with the entrance to the internal courts, the wall is partly coming down and work is urgently required there.

Mr. POWER: I quite agree with what has been said by my hon. friend from Labelle. For the past seven or eight years, nearly every session, I have had a resolution on the order paper asking that the ancient walls and fortifications of Quebec be transferred from the Department of National Defence, in view of the fact that they are no longer useful for military purposes, to some historic commission, preferably to the National Battlefields Commission. When the hon. leader of the opposition was Minister of National Defence he received the resolution with great cordiality and took steps to transfer a portion of the ancient walls of the city of Quebec. The portion leading from Mountain hill over to Palais hill I think has been transferred in part to the city of Quebec. At the present time negotiations have been undertaken between the Minister of Justice and the Minister of National Defence, the mayor of Quebec, I think also Mr. Turgeon, speaker of the legislative council, and Sir George Garneau, with a view to having the three authorities, federal, provincial and municipal take the walls out of the control of the Department of National Defence, where they should not be, and preserve that historic monument for the future. With regard to this particular vote, in so far as it will help to build up the walls near where the Governor General's quarters are, it has my hearty support and endorsement. In order that the House may know that there is nothing political in this, I may say that the citadel is situated in my constituency, and I never knew until the estimates came down that there was any question of having a vote to repair the Governor General's quarters. I have made no representations to the Minister of National Defence or any minister with reference to this matter, but I may say that the repairs had been asked for by His Excellency, Lord Byng, and by other Governors General. Moreover it is, I understand, the intention of the government and of Their Excellencies to receive the Prince of Wales at the Quebec citadel next summer when he comes to Canada, and it is only fitting that the quarters should be put into proper repair and made fit to receive the prince.

Item agreed to.

Quebec—Savard Park hospital—repairs and alterations, $5,000.

Mr. MANION: What hospital is this?

Mr. ELLIOTT: Quebec Park hospital. This is for general repairs and improvements to the park hospital as requested by the deputy minister.

Mr. MANION: A marine hospital or a Department of Soldier's Civil Re-establishment hospital?

Mr. ELLIOTT: It is one of the quarantine hospitals of the Health department.

Item agreed to.

St. Jacques L'Achigan—public building, $21,000.

Mr. ERNST: Is this for a postal building? I should like to know the revenue of the post office and the population of the place.

Mr. ELLIOTT: The annual revenue is $2,689, and the population is around 1,500.

Mr. MANION: I notice this is a revote of $16,000. Is it a new building entirely, or simply an addition to the old building?

Mr. ELLIOTT: It is a new building now under contract. It is a revote.

Mr. KELLNER: Do public buildings mentioned in the estimates include post offices?

Mr. ELLIOTT: If it is merely a post office it is so described. If it is a building including post office, customs and armoury, it is then called a public building.

Mr. KELLNER: The minister has given the revenue from the post office, I understand, which has no bearing—

Mr. ELLIOTT: The postal revenue is supposed to have some relation to the business being done in a particular community.

Mr. SEGUIN: Besides the post office there is an excise office, there are five manufacturers of tobacco, and the revenue in 1920 was $18,000. I have not the latest revenue figures, but the offices are used for both post office and excise purposes.

Mr. BOYS: I should like to ask what is the policy of the department regarding the construction of post offices. The minister has given as a reason for the construction of this building the fact that the place has a population of 1,500, I think he said, and a revenue of $2,600. I think I could find quite a few places in my riding that I would like to bring to his attention, if that is to be the guiding consideration. Surely there must be some special reason for putting up a building in this place. If not, we may as well all get in on this. I have not made a request for the last ten or twelve years for an item of public expenditure in my riding outside of the town of Collingwood, which is an important harbour and has been for years and years, because I have understood right along that we were supposed to cut down and stop that sort of thing altogether. I have not heard a solitary reason advanced in this House for the construction of this building, or for that matter for the construction of buildings in a number of other places for which votes have gone through. I have no reference to the last item. If there is no other reason than a population of 1,500 and a revenue of $2,600, I would ask the minister if I come along with a proposal or two for public buildings in Simcoe county, in villages with a population of 1,500 and a revenue of $2,600, will he grant my request as well as the requests of other members of this House who have a similar situation in their ridings? If not, why is this item in here? Why is a building put up here and not elsewhere?

Mr. ELLIOTT: If my hon. friend comes with any request it will be very carefully considered, there is no doubt about that; and if the treasury had to depend for its protection on my generosity, it would not be as nearly as well protected as now when I have to get past the treasury board and council. But I think my hon. friend's question is a fair one in view of what is taking place. It is a matter to which I have personally given very serious thought. The policy of this government, as I stated the other evening, is not to construct public buildings for post offices or any other service except where they are very urgently needed. Various considerations enter into the question. Take the case of the public building that was being considered a short time ago at Kenogami, where the growth has been very rapid and it is impossible to get a store or other suitable building in a place of that kind. Take certain ridings, perhaps like my hon. friend's, which have received no public expenditure of any kind for a number of years, and there are a great many rural ridings in that category. Somebody asked, Why construct a public building in a place where the population is only so much and the revenue is only $1,500 or something of that kind? I would ask hon. members to consider the question in relation to a riding where there are no other public works, such as harbours, docks or anything of that nature, and where as a matter of absolute necessity, there has been no public expenditure perhaps for years, because in recent times there has been very little expenditure on buildings. The department is only constructing public buildings in places where the present facilities are inadequate, where the public are not getting the service to which they are entitled, where it is considered in the public interest to construct those buildings and where such construction does not involve a departure from a policy of rigid economy.

Mr. BOYS: The minister has not given us any special reason for this at all. He has only emphasized what I have tried to urge,

that it has been the desire to economize, and that if there is going to be any expenditure it should be in ridings which have not had much public expenditure, and so on. But I have not heard a word to show that there is any special reason for the construction of this building. There may not be a post office there now, but surely one can be rented. I have in mind no end of places within a radius of one hundred miles of my own town where there is identically the same situation, but they are not getting anything. Let us hear from the minister why an exception is being made of this place. I know nothing about it personally, and I am not singling it out for attack; I simply want to know what is the general policy, and I want to be given some reason why this should be done in this case. If there is no special reason, I want the minister to give us all an invitation to pester him with applications in the future. He says that we may trust to his generosity. Well, I would like to feel that I could do that, and if he really means that as an invitation I shall be round to see him in the next year or two because I have two or three places already in mind. Let us see if we cannot get some reason why this building should be constructed.

Mr. ELLIOTT: My hon. friend knows perfectly well that any visit from him would not be considered by anybody as pestering; I know my hon. friend too well for that. But so far as throwing out a wholesale invitation for everybody to solicit public buildings is concerned, I do not intend to do that, because I am endeavouring to carry out the policy that my hon. friend has indicated he is in favour of, of constructing public buildings only where they are urgently needed, and this particular building is only being constructed because there is no other building there that will afford adequate accommodation. The contract has been let and the building is under way.

Mr. MANION: I would just like to say to the minister that he is, consciously or unconsciously, throwing out the very invitation which he says he does not wish to give. I will admit that up to this year there has been a policy on the part of all governments since the war not to construct public buildings. I pointed out the other evening that there were some eighty or ninety places where sites had been purchased as far back as 1910 or 1911, when Canada did not owe two and a half billion dollars, with the intention of putting up public buildings. I gave Fort Frances as an instance. A site was bought there in 1910 or 1911, and there are from seventy-five to ninety other places where sites have been bought. Up to this present year the government, and our previous government, and the government before that, have lived up to the policy of not putting up buildings that were not absolutely necessary, but certainly this year when one looks through the estimates, one cannot fail to see that that policy has been absolutely departed from. I notice a number of public buildings for Ontario and Quebec, and we had a vote the other evening for a public building in Kensington, Prince Edward Island. I certainly submit to the minister that he is giving us all an invitation, by this departure from what has been the policy, to press for public buildings in various parts of the country, and I again draw to his attention the case of Fort Frances, which is not now in my constituency, but in the constituency of the present Minister of Labour, and which I pressed for a long time until I saw that the policy of both governments, ours and the previous government, was against public buildings of that kind. I think the minister would be well advised either to cut out a number of these items, or to make up his mind that he is certainly going to be pressed by members from all over the country for public buildings which are just as much needed as this one. Fort Frances, for instance, has a population of about four thousand. It is a prosperous, progressive, go-ahead little town with not a public building. They are right on the border, and they require not only a post office, but a customs office and an immigration office. Up until very recently they were in a rented office—

Mr. ELLIOTT: If my hon. friend will permit me, we have recently been able to get very satisfactory and commodious quarters in the Masonic temple at Fort Frances, and perhaps that is the reason why a new building is not being asked for there. If that building had not been available we would have been forced to erect a building as in these other cases.

Mr. MANION: I know the Masonic building and I do not agree that it offers very commodious post office quarters for a town of the size of Fort Frances, but it is much better than the former accommodation. However, the point I make is that when I was the member for Fort Frances I absolutely refused pressing for a building for that town because it was the policy of the then government and of its predecessor not to erect public buildings owing to the then state of the national finances. But now apparently the government is departing from that

policy, and I fear the minister is laying himself open to pressure from all sections of the country for public buildings. During the last election I declared on the hustings at practically every place where I spoke that the government was making a mistake in departing from the policy of the two or three administrations of the past—the policy of renting accommodation such as we were doing in Fort Frances. This afternoon we have passed two or three items for public buildings, and while it is true that at Kenogami the aluminum plant is causing a rapid development of the town, that is all the more reason, I submit, why we should have rented a building temporarily so that we may be in a better position later on to judge of the ultimate requirements of the locality.

Mr. ELLIOTT: My hon. friend must be perfectly well aware that where a town has doubled its population in five years you cannot rent buildings.

Mr. MANION: That is a very lame explanation. Does the minister mean to tell me that in such a progressive community there are no enterprising people who would not gladly put up a temporary building to rent to the postal department?

Mr. HEAPS: Why should not the government put up its own temporary building?

Mr. MANION: I have no objection if it is to be the policy of the government. This will only be a temporary building anyhow. But I submit, Mr. Chairman, that the government is making a mistake in departing from the policy of not putting up public buildings where suitable accommodation can be rented, and I certainly believe the minister as a result will soon find himself so importuned by requests for public buildings at one point and another throughout the Dominion that he will wish himself back in the Department of Soldiers' Civil Re-establishment.

Mr. ELLIOTT: Where there are no troubles!

Mr. MANION: There are some, I admit.

Mr. FRASER: Mr. Chairman, I would direct the attention of the minister to another angle of this situation. I notice that the total expenditure for the province of Quebec this year is $635,027, while last year it was only $327,050. We are spending pretty nearly double in that province this year. Naturally, we come to the conclusion that the rest of the Dominion is entitled to an increased expenditure in the same ratio. In contrast to what is being done for Quebec, I turn to my own province of British Columbia, where I find that last year the expenditure on public works was $216,760, and this year it is $243,262—a slight increase, but not at all in proportion to the increased expenditure in Quebec. I submit in all seriousness that the demand for public buildings in British Columbia is equally as imperative as in Quebec. It is quite true that the latter province is going ahead at a very nice rate, but it is also true that important developments are taking place in my province. It seems to me if that is the excuse for the increased expenditure in Quebec, British Columbia should have been given more consideration.

Mr. MANION: Perhaps, Mr. Chairman, political developments in the province of Quebec were more satisfactory than in my hon. friend's province.

Mr. SPENCE (Parkdale): The criticism of my hon. friend from Fort William (Mr. Manion) is perfectly sound. There is no need whatever for these new buildings to-day. He suggests a temporary structure, but there is no need even for that. Any store in that locality could very well provide accommodation for a branch post office, at a cost of practically nothing. In my riding we have several branch post offices, and I will guarantee that every one of them does more business than is transacted in any of these towns of 30,000 population. So it is a waste of money to buy votes in these little burgs. I should like to ask if any other buildings are required in the province of Quebec? Are you sure that you do not need a new city hall or an old one repaired?

Mr. ELLIOTT: My hon. friend knows that that is a municipal responsibility.

Mr. SPENCE (Parkdale): I know, but several of these items appear to me to be municipal too. Is it the intention of the minister of erect all new buildings required in the province of Quebec as well as public buildings belonging strictly to the federal government?

Mr. POWER: Why not?

Mr. SPENCE (Parkdale): That is what you are getting.

Mr. ROSS (Kingston): Mr. Chairman, for a couple of days I have been waiting to hear the minister give the reasons underlying these expenditures on public buildings. Revenue apparently has nothing to do with the expenditure.

An hon. MEMBER: Population.

Mr. ROSS (Kingston): No.

Mr. POWER: The good looks of the member.

Mr. ROSS (Kingston): The only requirement seems to be a beautiful surrounding country. Will the minister state what factors enter into the granting of these public buildings?

Mr. ELLIOTT: My hon. friend will see that in Quebec the greater proportion of expenditure is in Conservative ridings.

Mr. SPENCE (Parkdale): Two wrongs don't make a right. If my party did wrong, that is no reason why yours should do wrong too.

Mr. ELLIOTT: It answers my hon. friend's argument absolutely. My hon. friend from Cariboo (Mr. Fraser) referred to what he termed the increased expenditure for public buildings in Quebec over that voted last year, but he has overlooked the fact that the total of $635,027 includes $100,000 for the Quebec citadel, $50,000 for a postal station in Outremont and $50,000 for reorganization of the Montreal general post office. Those three items make up the difference between last year's and this year's expenditure. In answer to my hon. friend from Kingston (Mr. Ross), reports come in from the departments, we study the information, and we select only the places where that information leads us to the conclusion that the expenditure is absolutely required.

Mr. ROSS (Kingston): What department first recommended the expenditure that we have just passed?

Mr. ELLIOTT: We obtain our information from the records on file in our department as to the requests that are made for new buildings, and then inquiries are always made of the Post Office Department as to the necessity of any new postal buildings. With all this information before us we come to a conclusion. I may say to my hon. friend that none of this expenditure is avoidable.

Mr. ROSS (Kingston): The minister referred a moment ago to recommendations from departments. What department recommended this last expenditure that we have passed?

Mr. ELLIOTT: I am going by the records in my own department. We look them over very carefully.

Mr. STEVENS: There must be a pile of them.

Mr. ROSS (Kingston): Who made the request for this item?

[Mr. A. E. Ross.]

Mr. BOYS: The member, of course.

Mr. ELLIOTT: I see that this particular matter is one of long standing; an order in council was passed as far back as October 21, 1925, authorizing the acceptance of a tender which had been received at that time for the construction of a public building there.

Mr. ROSS (Kingston): Will the minister tell us who tendered?

Mr. ELLIOTT: Yes; Albert Brouillet and Joseph Burgy. These tenders were for $10,450 and $11,675 respectively.

Mr. ROSS (Kingston): Will the minister then tell me who called for the tenders?

Mr. ELLIOTT: The Department of Public Works, of course.

Mr. BOYS: I am going to make one more effort to see whether I cannot get some special reason. I think the minister, whom I personally know to be very fair, will agree with me that there are from 50 to 100 towns and villages in the province of Ontario with a population of 1,500 or over from which the postal revenue is $2,600 or more, which are situated exactly as this place is situated. The post offices in these places are now in rented buildings, and if I can I want to find out why a building is to be constructed in this place while other applications are rejected. If my statement is wrong I am ready to be corrected, but I firmly believe that there are certainly over 50 places in Ontario with just as much right to a new building. I do not need to stick to Ontario because I live there; I would say that in the maritimes and in the west there are places of this kind as well. Why was this place selected? There must be some reason. I can appreciate the personality of the member and the generosity of the minister, but when we once pass over that there must be some basis on which this is done. Why did the minister finally decide to construct this building here when he must know that there are hundreds of places in Canada equally entitled to a new post office? The minister has given no reason other than the revenue and the population and the fact that there is no building in the town. Does he say he has anything on record to show that any effort has been made to rent a suitable building and to pursue the policy of economy which has obtained in this country for the last twelve or fourteen years? I think we should have some information along that line; if that is not the case we must come to the conclusion that this is the result of persistence, and perhaps one must consider whether or

not the riding in question has returned a supporter of the government. I looked through the items for Ontario and found only two in constituencies represented by Conservative members. That in itself would be no answer, I admit, if a real reason for the construction of this building can be given, but it is a fact that as we look over the list we find that where these buildings are going up there are supporters of the government, and in places where there are no buildings to be constructed there are supporters of the opposition. For the moment let us forget that, but I would ask the minister to read from his record, if he has no personal knowledge, some good reason which can be advanced for the construction of this building?

Mr. ELLIOTT: If my hon. friend heard me correctly he would realize that while I am taking full responsibility for this item being in the estimates, the contract was let before I took charge of the Department of Public Works, and I give that as the reason why I am perhaps unable to say just what actuated the minister who called for tenders. I do know, however, from discussion with the former minister and from what other hon. members have said, that he only pursued the policy of erecting buildings where no other accommodation was available and where they were absolutely required in the public interest. I quite agree with my hon. friend that there are a great many places not only in Ontario but throughout the whole of Canada which urgently require public buildings just as soon as funds can be provided, but we do not think from the information at hand that they are so urgently required as those that have been put in the estimates. That is all I can say.

Mr. BOYS: Give us a reason in this particular case; that is all I am asking.

Mr. ELLIOTT: The reason in this particular case was that over a year ago, as I understand it, they came to the conclusion that because of inadequate facilities this was one building they were compelled to proceed with.

Mr. BOYS: What can be the inadequate facilities in a town of 1,500? If the minister could say that the post office was located in some miserable little building only ten by twelve or something like that with the floor all warped making it dangerous, and that there was no other place available that could be rented, that would be a good reason. I could refer him to the town of Bradford in South Simcoe; that is a very nice and very live town. I have been in the building there and I would say that in some places the floor is warped so badly that it is a foot higher than in other places, and in my opinion it is absolutely unsafe. I have been pressed to ask for a building there but I have not done so, because I understood the policy of the government to be as I have indicated. The minister has given us no reason for this building except the population and the revenue, he has not given a solitary fact to show that this is an outstanding case which requires special attention or consideration at the hands of the department.

Mr. STEWART (Leeds): It seems perfectly clear from what has happened with respect to these estimates that the policy of the government has been to relax the restrictions which have existed for many years in connection with the building of post offices in these smaller places. I would submit that in most of these places there is no difficulty in securing adequate quarters. In most of these small places you will find a merchant who will be very glad indeed to provide a building in connection with his store for the use of the post office, because the location of a post office in such quarters has the inevitable effect of drawing trade to that store.

Mr. ELLIOTT: Does my hon. friend think that is fair to the other merchants?

Mr. STEWART (Leeds): I am not discussing that at the moment; they seem to be quite well satisfied. I wonder if the minister is directing his policy as to the construction of post offices on the question of what is fair as between the merchants of the particular towns? I wish to point out that in these smaller places there is really no difficulty in securing adequate accommodation, but the former policy seems to have been departed from at an enormous capital cost. I think it is an undoubted fact that when you consider the cost of construction as well as the cost of maintenance, in many cases it will be found in these smaller places that the whole of the revenue is consumed, and that instead of a surplus we will be faced with a deficit from year to year. I ask the minister if he has considered that, and if that is not the certain effect of this new policy which appears to have been adopted?

Mr. FARFARD: Mr. Speaker, if hon members of the opposition would overcome their prejudices against the province of Quebec and would look at the facts as they are, they would not offer so many criticisms of a vote so important to the village of St. Jacques l'Achigan. They complain that all the public works in

the province of Quebec are being given to those counties which elected Liberal members. If our friends were a little better in arithmetic, they would understand that in a province which returned sixty-two Liberal members out of sixty-five, it is altogether logical that the proposed works should be given to those counties which returned Liberals.

Mr. PETTIT: In view of the information given here to-day in connection with public buildings I would remind the minister of the case I cited the other day in the constituency of Welland, that of the town of Thorold, Thorold has a population of 5,500. The post office serves a population all told of about 10,000. The building is a dilapidated two storey building 15 feet wide by about 65 feet long, and the public space for all that population is only 7 feet by 15 feet. I am instructed that the net revenue of that post office is $15,000 a year, and the rental paid by the government for that dilapidated building is $700. Moreover the town of Thorold is a customs port with a revenue of $500,000 a year, and the government pays $700 for another dilapidated building for the customs office. It strikes me that these two offices, the post office and the customs office, ought to be combined in one new building, and the rental of these buildings saved. I would suggest that the minister take these facts into consideration and see that a suitable post office is erected in that town. Surely if villages having a population of only two or three thousand, and a revenue of only from $2,000 to $5,000 can get a suitable post office, the town of Thorold is entitled to a building commensurate with its size and importance.

Mr. ELLIOTT: Is my hon. friend referring to Port Colborne?

Mr. PETTIT: No, to the town of Thorold.

Mr. ELLIOTT: Did my hon. friend not mention Port Colborne?

Mr. PETTIT: No, Port Colborne has a very suitable and necessary building as it is a large customs port and has a population of some 5,500, but I am now referring to the town of Thorold.

Mr. SHORT: I understood the minister to say that the needs of these towns are investigated and when urgent need exists for the erection of such a building one is erected. I want to call his attention to remarks made by his predecessor, Mr. King (Kootenay) the other night. The former Minister of Public Works mentioned the town of Bridgetown in Nova Scotia particularly, and he said there was urgent need for a public building to be erected there. Now I want to know if the Minister of Public Works will take into consideration the suggestion thrown out by his predecessor and have an amount placed in the supplementary estimates for a public building in the town of Bridgetown?

Mr. SMITH (Cumberland): I understand the reasons given by the Minister of Public Works for this expenditure were as follows: that the postal services at this point are inadequate, that the public are not able to get the service they are entitled to, that it is in the public interest that a building should be erected in this town and that no other available or suitable premises can be secured to provide adequate accommodation. I also understood the minister to state that the town had a population of about 1,500, and that the revenue from the post office was $2,600 odd. Now in the town of Oxford, in the province of Nova Scotia, there is a situation which meets exactly all the conditions that the minister has laid down for the building of this particular post office. In addition to the reasons mentioned by the minister there is the fact that the revenue at the Oxford post office is upwards of $7,000 annually, also that it is a centre from which a great many rural routes radiate—in fact it is a very important industrial and agricultural centre in the county of Cumberland. Last year this matter was brought to the attention of the Department of Public Works, and plans were supplied showing the present deplorable service; the post office is located in a shack 21 x 24 feet and the postal service afforded the people of this town is disgraceful. The board of trade and the town council of Oxford have both passed unanimous resolutions requesting that a new post office building be erected there. Private citizens have also complained. It is not possible to secure a suitable building in any other portion of the town to be used as a post office and I hope the minister will include in the supplementary estimates this year an amount sufficient to erect a respectable post office building in Oxford which would also provide accommodation for the customs service.

Mr. RYCKMAN: I point out to the minister that he has authorized an expenditure upon this post office, and that the net proceeds from the postal services in this town will not be sufficient to pay the interest on the money required to erect the building. Therefore that building will be a loss to this country from the time it is put up. The minister seems to have established this as a

practice, and when he is asked to give a reason for it he entirely begs the question. He may desire to get off by begging the question, by telling us that the post office is necessary, and saying that the erection of this building was unavoidable. But I ask him two questions: First, why is it necessary to build this post office in 1927 when we could get along with existing accommodations in 1926? Secondly, have there been any representations showing that it is more necessary to build this post office in 1927 than it was in 1926?

Mr. ELLIOTT: I think my hon. friend could not have been present during the discussion because it has been already stated that this contract was let in 1925.

Mr. RYCKMAN: Why was it not proceeded with? If this contract was let in 1925 it was probably thought necessary to erect the building. Subsequently it was found not necessary and it was not proceeded with.

Mr. JELLIFF: There may be reason for the increased post office facilities in this particular place, but I am somewhat concerned about the very rapid growth which has taken place in this estimate. In the estimates for 1925-26, if I understand them, there was an item of $10,000 for this building. Last year that was increased to $16,000. Now we have an estimate, which I assume to be for the same purpose, of $21,000, an increase of $6,000 last year, and a further increase of $5,000 this year. This is over double the estimate of two years ago. I think the minister should explain the reason for that growth; it is entirely too healthy.

Mr. ELLIOTT: The original specifications called for a one storey building but that was found inadequate and later on it was decided to erect the two storey building for which this vote is asked.

Mr. JELLIFF: Even if a two storey building is put up, does it require a doubling of the estimate?

Mr. ELLIOTT: It is not doubled.

Mr. JELLIFF: I am not objecting; I merely want an explanation.

Mr. STEVENS: Is the upper storey for the accommodation of the caretaker?

Mr. ELLIOTT: Partly for the caretaker and partly for other services.

Mr. CANTLEY: In the estimates now passed for Nova Scotia there is not a dollar for new construction in the whole province. Two-thirds of the whole amount of $38,000 is represented by a payment from one department to another for rental in Halifax. Other items are simply repairs to public buildings, of no particular consequence so far as these votes are concerned. In my own county of Pictou last year, we had some difficulty in connection with post office accommodation. In that incorporated town of about 5,000 people, the accommodation was unsatisfactory, but we did not ask for a public building, and the department was able to make a new lease for a suitable office at a rental of $50 a month the proprietor providing heat, light, water, and sewerage for the amount stated. On the item of $26,000 now before the committee the interest at 5 per cent will amount to $1,300 per annum, to say nothing of heating, lighting, sewerage, and other items that must necessarily be borne by the department. What can be done in one town in one county of Canada can be done elsewhere and I see no reason why the minister should not adopt that policy in small places in view of the financial condition of the country.

As regards the town of New Glasgow, the postal accommodation in the present building is totally inadequate to the actual business being transacted. The minister and the chief of his department know that. Plans were prepared by the department four or five years ago, and may still be referred to, calling for an extension or a remodelling of the building. In the busy season there are eighteen or twenty employees in that office, in which there is hardly room to move about. The building is crowded with mail matter which is piled over every available place, on floor, windowsills, on heating apparatus, and everywhere else. The people there have repeatedly applied to the minister's predecessor to take this matter in hand and have satisfactory arrangements made, and I understand that the postal authorities have also pressed for it. They are fully aware of the necessities of the case. Will the minister be good enough to give me an undertaking now that when the supplementary estimates come down he will do something in this regard? We have foregone a new building in the other town to which I referred a moment ago, and we got over our difficulty by paying a rental of $50 a month. What is the minister going to do regarding the New Glasgow office, the conditions in which are deplorable? We do not want a new building; we simply want to have carried out the arrangement proposed by the Public Works department itself, of which the plans are in the possession of the department.

Mr. ELLIOTT: I am sure that any representations my hon. friend makes will have the best consideration we are able to give them, but he will readily understand that it is impossible for me—

Mr. CANTLEY: Oh! "The best consideration" means nothing to me; I am more than four years old. Will the minister give me a definite answer? Let him be manly enough to say yes or no.

Mr. ELLIOTT: I know my hon. frend wiill not misunderstand me.

Mr. CANTLEY: I do not misunderstand you at all.

Mr. ELLIOTT: But if the hon. gentleman thinks for a moment, he will realize that I cannot give him an undertaking of that kind.

Mr. CANTLEY: I do not realize any such thing. I know the minister can make me a promise if he wishes to do so, but he wants to avoid making a definite statement.

Item agreed to.

Waterloo—public building, $22,000.

Mr. FRASER: Some of this money was spent last year?

Mr. ELLIOTT: Up to the 1st of March, we paid for the site $3,650 and for advertising $85.71.

Mr. FRASER: What is the total of the proposed expenditure?

Mr. ELLIOTT: $22,000, of which $19,000 is a revote.

Item agreed to.

Ontario — Dominion public buildings — improvements, repairs, etc., $115,000.

Mr. GUTHRIE: This is the usual amount?

Mr. ELLIOTT: Yes.

Item agreed to.

Durham—public building, $20,000.

Mr. BOYS: The reasoning I endeavoured to apply in connection with the previous item would apply here. Without my repeating it, will the minister enlighten the committee as to the necessity for this vote?

Mr. ELLIOTT: This is one of those cases in which for years the necessity for a public building of this kind has been urged and recognized. The site was bought in 1912, and the erection of the building was requested by Mr. R. J. Ball M.P., on November 30, 1911, December 3, 1918 and April 29, 1919. It was also requested by resolution passed by the town council on January 10, 1921, and by Mr. J. Murdock, mayor of the town, by letter dated in March, 1926. This is a particularly active country business place the postal revenue amounting to $6,368. A site was purchased in 1912 for $4,600. The population is between 1,600 and 1,700.

Mr. BOYS: That was the information we wanted in connection with the other vote, and if we had received it we should have been able to pass the item in much shorter time.

Item agreed to.

Glencoe public building—tower clock, $1,700.

Mr. STEVENS: Is this an alarm clock for waking the caretaker up?

Mr. ELLIOTT: The public building is there and when it was constructed—

Mr. STEVENS: When was that?

Mr. ELLIOTT: I should think about fifteen years ago. A space was left for the clock, but it was never installed.

Mr. BOYS: I suppose you will get the bells later.

Mr. CAMPBELL: Is there any tower where this clock can be placed?

Mr. ELLIOTT: Yes, the space is there awaiting the clock.

Mr. GARLAND (Carleton): How would it be if they used the clock in the tower of this building, which hasn't been running for two or three years?

Mr. CANTLEY: I would like to call the attention of the minister to the fact that the building in New Glasgow that I mentioned a few minutes ago has also a place for a clock, but we are not asking for a clock. What we do ask is that reasonable accommodation be provided in the building which exists there. The minister made reference to his having received resolutions from the town council and other bodies in regard to the situation. I could provide him with several resolutions that have been passed year after year calling attention to the condition of affairs in that building, and again I ask, will he be good enough to give me some assurance that he will have the matter attended to this year.

Mr. ELLIOTT: The word of my hon. friend and any representations that he may make, if he will discuss the matter with me, will carry more weight with me than any resolutions from any organization.

Mr. CANTLEY: Sufficient weight to ensure it being done?

Mr. ELLIOTT: Sufficient to ensure it being done if it is reasonably possible to get it done.

Mr. ROSS (Kingston): Might I ask for the same details on this item as on the previous one?

Mr. ELLIOTT: The postal revenue is $5,178 a year. It is a very flourishing town.

Item agreed to.

Haileybury—armoury, $11,000.

Mr. ADSHEAD: This is the second item for an armoury. I did not notice the first, and so did not have a chance to bring up this matter, but I should like to ask the minister what is the object of building these armouries? Are you increasing the militia, or is the National Defence department expecting a war or something of that kind?

Mr. ELLIOTT: The armoury was burnt down in the Haileybury fire, which practically wiped out the town, and this is the amount required to complete the reconstruction of the building, over and above the amount of the insurance.

Miss MACPHAIL: I am not sure that my question will come in its right place here, but when armouries are used for public meetings, as they are in my constituency, quite a large fee is charged, say ten, twelve or fifteen dollars, and meetings may be held in the armoury a dozen times during the year. Is this money returned to the department, or where does it go?

Mr. ELLIOTT: Apart from the small armouries which are constructed by the Department of National Defence, the armouries are built by the Public Works department. The rentals to which my hon. friend refers all go to the National Defence department, I think.

Miss MACPHAIL: I have been interested in finding out where the money paid in my constituency actually did go. It was not sent in to the National Defence department.

Mr. ADSHEAD: Is it the policy of the department to allow armouries to be used for public meetings? In the city of Calgary we granted a park site for an armoury, and it was understood that when the armoury was built the large auditorium in it could be used for public meetings, but after the building was put up, they refused to allow it to be used for that purpose.

Mr. ELLIOTT: My hon. friend the Minister of National Defence can perhaps answer this question better than I can, but from certain experience I have had in connection with the renting of armouries over a more or less extended period, I know the practice has been, where there is no other public building suitable for the purpose, to allow the armoury to be used if the people of the community desire it for a public meeting, and are willing to pay the expenses of the caretaker, and the cost of heating, and so forth.

Mr. ADSHEAD: Before the armoury was built in Calgary they came before the city council, of which I was a member, and we came to a gentleman's agreement whereby we were to be allowed the use of the armoury auditorium for public meetings, but after they got the site they would not allow us to use the auditorium. I wish the minister would take this up with his colleague the Minister of National Defence.

Mr. RALSTON: I shall be glad to give the hon. member who last spoke any information he desires as to the practice of the department. It is true that the department permit the use of armouries for public meetings, and it tries to make the arrangement as fair as possible in order not to bear unduly. If there is any particular arrangement my hon. friend has in mind, or he knows of any organization that desires to use the armoury, I should be glad if he would let me know.

With regard to the question of the hon. member for Southeast Grey, I would be very interested if she would let me know of any instance in which moneys are alleged to have come in to the department or have been paid to any officer, and I shall have inquiries made at once. I remember that inquiries were made of the department by the hon. member in regard to a particular instance, and it was found that no such funds were received. Perhaps she would let me know to whom the payment was made, and I shall be glad to follow it up.

Miss MACPHAIL: I have no such information, but I wrote to the department, as the minister will recall. This is the policy that has gone on for years in the only armouries there are in Southeast Grey. I do not suggest that we are paying too much, but apparently that money does not leave the village in which the armoury is situated, and if that is true, I would like to know why the cost is so much as ten dollars, because it certainly does not cost that much to heat the building. We have had a most unsatisfactory condition in Southeast Grey, and I have tried on two or three occasions to have

the thing cleared up, without any success at all, so I want to know what the policy of the department is in regard to this matter. When people pay their five or ten dollars a night for the use of armouries, where does that money go?

Mr. RALSTON: To the minister and to the department. It may be used immediately and automatically to repay the cost of caretaking expenses.

Mr. MacLAREN: It is necessary to cover the cost of insurance of the armouries against fire. I understand that the department does not insure these buildings, but when it loans the buildings for use for other than military purposes there is a sufficient charge made to cover the fire insurance, which I think is fair enough.

Mr. BOYS: I think this is a convenient time to have some statement as to the terms on which the various armouries may be secured. As far as I know, there is no rental at all. You have to pay the insurance, and employ two firemen of a local brigade to be on the job the whole time, and you have to pay the caretaker a certain sum of money. These payments may be considered as rental, but I do not believe there is any rental whatever which goes directly to the exchequer of the Dominion, and I think this would be an appropriate time to discuss this matter. I want to absolutely and thoroughly endorse the practice that has been in vogue. I think it is a splendid thing where those armouries are situated, that they should be put to some public use, and not be left idle and, of no service to the community at all. I hope there will be no curtailment of the present practice, and that if anything it will be increased. It is just as well that the community should understand that they could get the armouries more or less as a sort of right upon certain defined terms, which would apply to all the armouries throughout Canada. I think there is some variation in the practice; sometimes it takes a week or ten days to secure the use of these buildings, and there should not be this delay. There should be fixed terms and there should be an officer in charge; or better still, someone connected with the local militia in the town should be clothed with the necessary authority to speed up and make arrangements. I do not know whether I should ask for the information from the Minister of National Defence or the Minister of Public Works, but I am sure we are all interested in knowing what the terms are.

Mr. RALSTON: I think I can supply the information. The Minister of Public Works is quite right in saying that while the armouries are constructed by the Department of Public Works, they are operated by the department over which I preside, and I must admit there has apparently been some variation in policy with regard to terms. But I am endeavouring to get that down to a set basis, namely a basis such as has been suggested by my hon. friend, where there would be no such thing as rental. We want as far as possible to make the buildings available as community buildings, but I desire to warn hon. members that those buildings are built as armouries, for the purpose of training, for the use of the local units in training, and it is extremely discouraging for the officers and men of the local units who have endeavoured to arrange their training for after hours to find the armouries let for other purposes. In my own town there happened to be a poultry show, which one officer referred to as a "hen show", and he did not like the armoury to be used for that purpose. Nevertheless, the policy of the department is to permit these armouries to be used as freely as possible, particularly in cases such as mentioned by my hon. friend from Southeast Grey, where there is no other accommodation of equal size and capacity. As to the terms there has been, I know, a condition imposed in the past that the buildings be insured, or an amount paid for the insurance. I am inclined to overcome that situation by having reasonable precautions taken by those using the armouries, to have local firemen provided as has been suggested, and to take whatever precautions may be necessary to prevent fire without putting the applicant to the expense of paying for insurance. There have been set rates made, so far as caretaking is concerned. There was a fixed amount, I think $20 in some cases—

Mr. BOYS: I have paid $10.

Mr. RALSTON: —depending on the size of the armoury, on the number of caretakers and the amount of cleaning. No one attempts to account for the last cent to see whether that is the actual amount paid to the caretakers. I may say, for the information of the House, that these are the terms and that is the general policy. I am endeavouring to have this matter standardized, so that all will understand the terms on which they can get the buildings.

With regard to the time for application and the time it takes to put it through, these applications have been required by the quartermaster general to come to headquarters. I am not prepared to say that that policy

will be changed, but everything will be done to expedite these applications, if it is necessary to have them sent in, so that as little time as possible will be taken up. Those who should know best whether the armouries are available would be the district officers commanding, who are on the ground. But there has been a certain policy in the past and I am not sure as to the reason for it. I cannot say that the policy will be changed, but I can only assure the committee that everything will be done to expedite the applications as far as possible.

Mr. LANG: With regard to the buildings in Haileybury destroyed by fire and which are being rebuilt, I wish to inform the House that in October, 1922, a fire swept a great part of the country up there and the town of Haileybury was wiped out. The people of Haileybury had been using the armouries at different times for public meetings of various kinds during the preceding summer, and they had put insurance upon the armouries to the amount of $33,500, to protect the Department of Public Works against fire loss if the building should be burned while in use by them. It was a great conflagration which wiped out the homes of many of the farmers for miles around and destroyed nearly the whole town of Haileybury, burning the armouries. This insurance of $33,500 was placed by the people of Haileybury on the building at that time. After that the town of Haileybury commenced to build up again, and it has been almost restored to the position it was in before the fire of 1922. At different times after 1922 the people of Haileybury conferred with the government in Ottawa for the purpose of having the armouries rebuilt and having the $33,500 expended as quickly as possible. They wanted the armouries built in preference to any other public building which the government might erect. There were many reasons for that. Thousands of our boys in the north country formed a corps for the first time in the armouries building in Haileybury and there was a sentimental reason for desiring to see the armouries rebuilt. Since war time they had been using the armouries for public meetings and other purposes for the benefit of the community. When the armouries are completed the people are willing to do their part in regard to repairs and insurance if the department so requires. We sincerely hope that there may never come another occasion when the building will be needed for the purpose for which it was utilized during the war years, but if the necessity should arise I can assure the House that the building will be used just as extensively to help forward the nation's war efforts. As I say, the old building was insured for $33,500 by the people of Haileybury. This money was collected by the department and expended on the new armouries, so up to the present the building has not cost the government one dollar. In addition to that, the government got the benefit of the interest on the money during the three years before they expended it. I am confident that this will be a very useful building when completed not only for use as armouries but also for holding public meetings, and the people are glad indeed that this accommodation will soon be available to them.

Mr. SIMPSON: Arising out of my hon. friend's remarks, was the insurance fund used for building an armory or a community hall?

Mr. ELLIOTT: The $11,000 is required to complete the construction of the armouries at Haileybury. It will furnish accommodation for military purposes and for the customs, but primarily it will serve the purpose of a community hall, the title remaining in the government.

Mr. SIMPSON: I recall distinctly that the original vote was for the purpose of restoring the $33,500 insurance to the people of Haileybury for the erection of a community hall. The old armouries were used for that purpose. At the request of the Department of Militia and Defence the people of Haileybury insured the building, and after the great fire they thought they were entitled to the use of the insurance money for the purpose mentioned.

Mr. LANG: We hope to use the building for community hall purposes, but it is to be turned over to the Department of Militia and Defence at any time when required as armouries.

Mr. PRICE: While this item is under consideration I should like to direct the attention of the hon. Minister of Militia (Mr. Ralston) and the hon. Minister of Public Works (Mr. Elliott) to the fact that during the Laurier regime a site was purchased in the city of Moncton for an armoury, but none has ever been constructed. As the hon. gentleman is aware, we have in that city a great number of returned men. Recently an appeal has been made by the Moncton branch of the Canadian Legion for the erection of armouries, and I presume the Minister of Militia has been sent a copy of that appeal. Moncton is the headquarters of a squadron of cavalry, a battery of artillery, a company of machine guns and a company of infantry. Will the Minister of Militia state if steps will be taken to have suitable quarters provided for these units?

At the present time the accommodation is altogether inadequate, consisting of a poorly constructed wooden building. This does not provide sufficient room for training, nor proper protection for the supplies now stored there. The annual surplus from the Moncton post office of itself would provide the necessary funds for the erection of a new post office, which is very much needed, and new armouries, that surplus being in the neighbourhood of $377,000. Sites for these projected buildings were purchased by the government some time ago, and I would ask the Minister of Militia to see that work in connection with the armouries is proceeded with.

Mr. RALSTON: I am afraid, Mr. Chairman, that this is not a case where I can even talk about favourable consideration just now, and we might as well be frank about it. The situation in regard to armouries has been very forcibly brought to my attention during the short time that I have been in the Department of National Defence, and I intend to have a survey made with a view to seeing if any better accommodation can be provided in certain cases, but I am afraid I cannot hold out very much hope of constructing new armouries just now. Propositions have come to me from various parts of the Dominion offering capital and sites of considerable value in an endeavour to induce the department to forward these capital expenditures. As far as we possibly can we are providing accommodation for training purposes. As the hon. member is aware, many of our armoury buildings were erected during the war. I am sorry that I cannot hold out any hope of further capital expenditure at the moment.

Item agreed to.

Ottawa departmental buildings—fittings, etc., $60,000.

Mr. GUTHRIE: Where is that for, may I ask? Is it for any particular building?

Mr. ELLIOTT: That is for all the buildings in Ottawa.

Item agreed to.

Public Works—Ottawa—greenhouse, $27,000.

Mr. SPENCE (Parkdale): I would like to ask what particular use we have for a greenhouse except to provide flowers for the House of Commons and the Senate? Why should we spend $27,000 for that?

Mr. ELLIOTT: This amount is to provide for the construction of a greenhouse and potting shed either in Major Hill park or on parliament hill, to replace the greenhouse now located in Major Hill park.

[Mr. Price]

Mr. SPENCE (Parkdale): What is to be the size of the proposed building?

Mr. ELLIOTT: The estimated cost is $27,000.

Mr. SPENCE (Parkdale): The building we have now and which has served the purpose for years seems to have been large enough up to the present time. I will admit that the present building is dilapidated and that we require a new one, but if the new one were of the same size it would be sufficient for all our business unless it is to be used commercially.

Mr. ELLIOTT: The building we are replacing is dilapidated, out of repair and practically falling down, and this estimate is for that replacement.

Mr. SPENCE (Parkdale): I assume the present building to be about 20 by 80; I do not think it is any larger, and from what I know about greenhouses a building of that kind can be constructed and equipped with a good water heating plant for less than $5,000. Why is $27,000 required?

Mr. ELLIOTT: All I can say to my hon. friend is that this is the architect's estimate. It is proposed to construct a greenhouse for Major Hill park to replace the present greenhouse which is beyond repair, as the woodwork has become so badly decayed that to renew it would practically mean rebuilding the superstructure. This is a revote.

Mr. STEVENS: Is the structure to be gothic or romanesque?

Mr. SPENCE (Parkdale): I object to putting $27,000 into a greenhouse; it is too much for the purpose intended, and there is no need for it at all. I would suggest that the amount be reduced to $10,000, which would provide twice the amount necessary, and I make that motion, Mr. Chairman.

Mr. ELLIOTT: I might say in that regard that on account of the location and the fact that it is here in the capital city, $10,000 would not be very much money for the construction of such a building. The amount placed in the estimate is considered by the architect to be sufficient to no more than replace the present building, so that I hope my hon. friend will reconsider his motion.

Mr. SPENCE (Parkdale): I am quite well satisfied that there is not need for such an

amount for that purpose. I know that you can build a modern steel frame greenhouse with a first-class hot water heating plant, larger than the present building, for $10,000.

Amendment negatived.

Item agreed to.

Ottawa—towards purchase of building for government workshops, $13,300.

Mr. GARLAND (Carleton): May we have an explanation from the minister on this item? Where are these workshops?

Mr. ELLIOTT: This is the fifth payment on the purchase of the property.

Mr. GARLAND (Carleton): Is that the property on George street?

Mr. ELLIOTT: Yes.

Item agreed to.

Rockland—public building, $25,000.

Mr. ADSHEAD: I have not been very long in Ottawa, but I would like to refer the minister to the ramshackle old building in which the Bureau of Statistics is located. The floors in that building are like the waves of the ocean, and I would like to know if there is to be an appropriation for a new building or if something can be done to make that building more suitable for the purposes for which it is used. If a fire should come along all those valuable records would be lost. Is there to be any provision made for that in the near future?

Mr. ELLIOTT: I might say that the building referred to is one of many in Ottawa entirely out of repair and unsuitable for the purposes for which they are used. It is the intention of the department to start upon a program of construction of departmental buildings as rapidly as the funds can be obtained; it is intended to make a start this year.

Mr. ADSHEAD: May I suggest that that is one of the most dangerous fire traps I have ever seen, and that such valuable documents should be transferred to some stone building which would be more fire-proof.

Mr. GUTHRIE: Will the minister give us some explanation of this item for a public building in Rockland?

Mr. ELLIOTT: This amount is to provide for the purchase of a site and for the construction of a public building in the town of Rockland. It is proposed to pay $2,000 for a site; $18,000 for the building; $2,500 for fittings, lock boxes, et cetera; $1,500 for grading and sidewalks and $1,000 for contingencies.

Mr. GUTHRIE: Who has requested this building? Who has made the demand?

Mr. GOULET: I have. Surely my hon. friend is not so badly informed as not to know where Rockland is. It is one of the principal towns on the provincial highway between Ottawa and Montreal and one of the most flourishing towns we have in the county of Russell. The population is close to 5,000, and I think Rockland amply deserves a post office.

Item agreed to.

Toronto—postal station A, mechanical equipment, $50,000.

Mr. SMITH (Stormont): Is this a political vote?

Mr. ELLIOTT: I can assure my hon. friend that none of these are political votes.

Item agreed to.

Manitoba—Dominion public buildings—improvements, repairs, etc., $35,000.

Mr. BROWN: Would the minister tell me if the public building at Morden is included in the list of repairs referred to here?

Mr. ELLIOTT: I may say to my hon. friend that this is a general vote for the whole of the province, and I assume that if the needs at Morden are as urgent as at some other places they will receive consideration.

Mr. BROWN: I understand then that the details of this expenditure are not decided upon?

Mr. ELLIOTT: No.

Item agreed to.

Winnipeg—grain inspection building, $13,000.

Mr. GARDINER: Is it proposed to include in the estimates any vote for the testing laboratory at Winnipeg?

Mr. ELLIOTT: That is under the department of my hon. friend the Minister of Trade and Commerce. I cannot say offhand what the intentions are in that regard.

Item agreed to.

Saskatchewan—Dominion public buildings—improvements, repairs, etc., $17,000.

Mr. EVANS: I wish to say a word about the needs of the town of Biggar in Saskatchewan. Provision has been made for new public

buildings in a number of places where it is claimed conditions demand it. But it seems almost impossible to get decent post office accommodation in the town of Biggar. The present post office is located in a shack between a Chinese laundry and a pool room, and the fire hazard is tremendous. Biggar is a thriving place in Saskatchewan, a divisional point on the Canadian National railway, and the Canadian Pacific passes it at a distance of one mile. Railways also go north and south from Biggar, and it is a growing place. The present population is about 2,500, and the revenue from the post office last year was $10,054. Seeing that votes for public buildings in other places have already been adopted, some of which are not nearly as urgent as in the case of Biggar, and considering the needs of the town, I would ask particularly that the government place a sufficient amount in the supplementary estimates to give Biggar a suitable public building.

Mr. ELLIOTT: I happen to know the town of Biggar very well, and I take it from what the hon. gentleman says that he is in favour of the erection of a public building there. In that respect he disagrees with some other hon. members who do not think public buildings should be erected anywhere. The case of Biggar is very deserving no doubt and will receive consideration when more urgent cases have been provided for. I will be very glad to give the matter the best consideration I can.

Mr. EVANS: Does the minister not think that this is one of the most urgent cases? The business done there exceeds that of other places some of them only one-fifth the size and earning less than one-third the revenue of Biggar, and yet those places have been voted public buildings. I think the needs of Biggar should receive immediate consideration.

Item agreed to.

Moose Jaw—public buildings—improvements and repairs, $3,500.

Mr. ROSS (Moose Jaw): I know one cannot ask the minister to increase this item but I should like to say that while this post office may not show as big a revenue as other post offices I think it does a lot more work than any other post office in the province of Saskatchewan seeing that the mails for a great many branch lines are sorted there, and it is the transfer office for practically all the United States mails that come into that country. I do not believe the present vote will cover the improvements and repairs that should be made in that office, and I want to ask the minister if he will not introduce into the next estimates brought down a sufficient amount of money to take care of all those repairs and improvements?

Item agreed to.

Regina public building—addition to site, $150,000.

Mr. YOUNG (Weyburn): I should like to ask what the dimensions of this site are and the other details concerning it.

Mr. MANION: The first question from that side of the House to-day.

Mr. ELLIOTT: This amount of $150,000 is required for the purchase of property having a frontage of 50 feet on Scarth street, south of and adjoining the post office property, as a means of extending the post office building for the purpose of centralizing all the government offices in the city of Regina in one building.

Mr. STEVENS: Do I understand the minister to say that they are paying $3,000 a foot for property in Regina?

Mr. DUNNING: Perhaps my hon. friend will permit me—

Mr. STEVENS: Could the Minister of Railways give us some more accurate information?

Mr. DUNNING: The question of post office accommodation in Regina is not one of local patronage in any sense.

Mr. STEVENS: No, we quite understand that.

Mr. DUNNING: Regina is the fifth largest revenue office in the Dominion. It will I know astonish some hon. members when I say that in the middle west we have an office which is the fifth largest revenue producer, yielding as it did $802,000 of revenue last year.

Mr. STEVENS: I thought Moose Jaw was larger.

Mr. ROSS (Moose Jaw): It does more work.

Mr. DUNNING: I am not going to discuss the amount of work done. Usually the amount of money received has some relationship to the amount of work done, but I do not propose to quarrel with my hon. friends from Moose Jaw and Saskatoon.

Mr. STEVENS: This is the most costly; that is the point.

Mr. DUNNING: Yes. Past governments have on various occasions attempted to remedy the undesirable situation that has existed there for a number of years, and the government of which my hon. friends opposite were members bought a site, not adjacent to the post office at all, intending to use it for customs purposes. This site was acquired a number of years ago. The great problem in that city with regard to the post office is lack of ground floor space, and consequently the erection of a building elsewhere would not solve the post office difficulty. Naturally, as representing the city, I should prefer to ask for another public building to house the various Dominion offices there, but I recognize that such a building would not meet the situation in regard to ground floor space and the mechanical appliances necessary to handle the great volume of business now being done. Several years ago a small building across the alley was purchased to give additional space. It is connected by an overhead passageway with the main post office, but it does not in any sense contribute to the solution of the main problem, which is one of ground floor space. There was some discussion a year ago with regard to the purchase of fifty feet immediately south of the post office, and some negotiations were entered into between the Department of Public Works and the owners of the property. The price asked was, however, deemed too high and the provision being made here is to permit expropriation proceedings to be taken. That is the method the department proposes to pursue in connection with the acquisition of this property.

Mr. STEVENS: Will the expropriation proceedings be taken in the Exchequer court?

Mr. DUNNING: Yes. I may say frankly that the post office in Regina is located in a situation where, to add to it, would involve the purchasing of some of the most highly priced property in the city, nad it is a question to determine whether we can better deal with this very awkward problem by erecting somewhere else an entirely new public building or by adding to the present post office. Officers of the department, more particularly the officers of the Post Office Department, can see no solution to the post office problem in Regina unless the present floor space is extended; and the property which it is proposed to expropriate consists of a fifty-foot frontage, one hundred and twenty-five feet in depth, I believe.

Mr. STEVENS: With buildings?

Mr. DUNNING: There is a large restaurant on the property now, a single storey building. Frankly, my own opinion is that the expropriation should have been made many years ago, when of course the property could have been acquired at a lower price. Had that been done we should not be in our present situation. I think I am right in saying—the Minister of Public Works can correct me if I am wrong—that it is proposed to dispose of the small building to which I referred a little while ago, and this will in a measure offset the expenditure here asked for. Once the site is acquired, however, it will be necessary to come back to parliament for enough money to erect the addition to the post office, which is very urgently required.

Mr. MANION: What is the population of Regina?

Mr. DUNNING: About 40,000. The postal revenue of the city is $802,000, and Regina is unique among places in its revenue class in that this is the only post office building in the city which is government owned. All the sub-stations are merely rented premises.

Mr. McGIBBON: Do you expect to get any return from the building which is to be scrapped?

Mr. DUNNING: I cannot say what its salvage value would be, but there will be a revenue from the sale of the small building now owned by the government. It is a valuable property, but, as I say, it is across an alley from the present post office. Facing as it does, however, on one of the main streets in the city I think probably it will fetch a good price, although it is only twenty-five feet in width.

Mr. YOUNG (Saskatoon): I am not objecting to this vote because I happen to know the situation, and these western cities have grown to such an extent that it is necessary to augment their post office facilities. I would point out, however, that in the city I represent, situate in the centre of the constituency, we have, unlike Regina, a very inferior building. The building in Regina, while not large enough, is a good structure. I would urge upon the government the importance of providing proper post office accommodation in the city of Saskatoon. We have there a site which is a water hole, about 140 feet by 140, and there is a good deal of complaint in the city about its condition. The authorities paid $135,000 for the site, which is one of the legacies bequeathed us by the Tories. It was purchased several blocks away from the centre of the city and

is not at all suitable for a post office. We feel that the time has come when we should have a new public building in Saskatoon, and I am in hopes that in the supplementary estimates a sufficient sum will be brought down this year to provide us with a suitable building for both post office and customs purposes.

Mr. EVANS: I support the hon. member for Saskatoon (Mr. Young) in what he has said. Would not the government consider it a fair suggestion to give the city of Saskatoon better accommodation than it has at present? Regina has a very fine public building, while the city of Saskatoon, nearly of the same size, is without even a public building that can be called such. What we have there is nothing more than a makeshift, and the government is paying between $23,000 and $24,000 in rentals for space. As the hon. member says, the present site, which was purchased for a new post office, is not suitable. The building should be erected where the post office business is now carried on. Some years ago a contract was let for a building, but somehow or other it was suddenly cancelled. I do not know what the reason was. At any rate, one would think it only fair at least to spend impartially the available money. Regina is very well supplied while Saskatoon, as I say, has not even a public building worthy the name.

Mr. DUNNING: I do not object to Saskatoon's claims, which I know are strong. What my hon. friend from that city has said is true. But the proposal now before the House comes, and has come for years, from the post office authorities to meet the demands of mechanical operation. It is true that the present post office is a fine looking building, but from the point of view of the immediate necessity for an extension it is not adequate. The revenue last year at Regina was $802,000, while that of Saskatoon was $285,000, not half as much. I can well appreciate the argument that if Saskatoon had a post office large enough and sufficiently well equipped mechanically to handle the many functions of the postal service which now must be distributed because of lack of facilities, the revenue in that city might be high. I merely make this statement to meet the view expressed by my hon. friend (Mr. Evans), that we should put first things first.

Mr. YOUNG (Saskatoon): I repeat, I am not objecting to this vote; I support it. I say, however, that Saskatoon occupies a unique position. A great deal of its work is due to the transfer of mail, and better accommodation is undoubtedly required. I am not asking for a public building immediately, but I hope that something will be done in the supplementary estimates. The building has been there a great many years. It was built for a city of ten thousand people, and it is now serving approximately thirty-five thousand. I would urge on the government again the advisability of getting all the facts and bringing down an estimate as early as possible.

Mr. WARD: Does the Minister of Railways say that property in Regina is valued at $3,000 a foot, or will a portion of this vote be used for the expropriation proceedings?

Mr. DUNNING: When the offer was made a year or more ago to purchase this property, the owners asked a price, including of course the building on the property, in excess I believe of $3,000 a front foot. The department did not believe the value was in it, and decided therefore to proceed by way of expropriation in order that the Exchequer court should decide what was the proper value of a piece of property of this kind taken under the circumstances that prevailed. The sum in the estimates is not by any means to decide the matter, but in order to give authority to the minister to proceed to expropriate and pay whatever sum the Exchequer court may decide to be the value of the property.

Mr. STEVENS: I think it is rather unfortunate that the minister has put in the estimates $150,000 for this additional site and then says he is going to expropriate, because those who own the property will undoubtedly produce the government's own estimate of its requirements as evidence in support of their claim as to the price. The procedure is simple. The Exchequer court sits on the case, and the owners of the property produce witnesses to bolster up their case. They will claim a certain price, probably beyond this, and among the evidence they produce will undoubtedly be this official estimate of the government of $150,000. This is not final, as the minister says, by any means. It does not decide the case, but it is supporting evidence and it strikes me that $3,000 a front foot is an abnormally high price for property in the city of Regina. I am not disputing what the minister said a minute ago about the importance of the city of Regina and the business they do there. It is an important centre and a very handsome revenue is collected there. All of that is admitted, but it is the method of approaching this question that I am speaking of, and I would say that

you lose your case before you go to the Exchequer court. Might I ask the minister whether in considering these expropriation proceedings the government have arrived at a figure which they will first offer to the property holders, and on the other hand, have the government received from the owners of this property an offer of a price at which they will sell, between which two prices the decision has to be made.

Mr. ELLIOTT: The department have been notified by the owners of this cafe that they would not sell their property at $3,000 a foot frontage, as they claimed the property had enhanced in value owing to the Canadian Pacific having decided to locate their hotel just two blocks south, on Scarth street. I say frankly that our reason for expropriating is that we could not get the property at what we considered a proper price. I do not admit that it is worth even $3,000 a foot, but they would not take that price.

Mr. STEVENS: Has the minister made an offer?

Mr. ELLIOTT: I am informed there was an offer of $3,000 a foot front, and that they refused it.

Mr. STEVENS: The committee is faced now with the exact facts. An offer has been made of $3,000 a foot front, which the owners have refused, and the case is going to the Exchequer court. We can therefore very properly say that the price will be something in excess of $3,000 a front foot, or $150,000. I do not wish to draw any invidious comparisons, but take for instance the case referred to a moment ago at Saskatoon. I am quite certain that it would not cost anything like that amount, comparatively speaking, to purchase a site in Saskatoon; it probably would not cost $1,000 a front foot, but here in the city of Regina—the capital city, it is true—you are paying $3,000 a front foot. To my mind it is an excessively high price.

Mr. DUNNING: One of the banks paid more than that.

Mr. STEVENS: One of the curses of fixing the value of city property is the price the banks pay for selected corners. It is something scandalous. A bank will come into a town or city and pay an exorbitant price for some choice corner, but I do not consider that as an argument to support the government's action. I am not sufficiently acquainted with Regina to say whether it might not be better for Regina to consider another site altogether.

Mr. DUNNING: From the point of view of the member for the city, I would much prefer an entirely new public building, but unfortunately I am faced with the post office difficulty, and I must admit that the post office officials are right in their contention that they must have an addition more especially to the ground floor space of this building. I should say that the owners of the building are not political friends of mine—

Mr. STEVENS: I am not suggesting that. That would not make a bit of difference to me.

Mr. DUNNING: They are good Tories.

Mr. MANION: The minister admits that there are good Tories.

Mr. DUNNING: Sure, my hon. friend is a good Tory. I should also say that one of the reasons for the price being high is, of course, that the owners of the building will claim damage with respect to the business.

Mr. STEVENS: I understand that.

Mr. DUNNING: There will be business damages. I was informed that this vote was necessary in order to enable expropriation proceedings to commence, that before getting the authority of parliament it was very doubtful if any expropriation proceedings could be gone on with. I was not aware that an offer of any specific figure had been made by the Public Works department for the property, but I do know that the parties concerned refused to sell to anybody at $3,000 per front foot.

Mr. McGIBBON: What is the value of the present post office?

Mr. DUNNING: I have not those figures. It was built in 1912.

Mr. McGIBBON: Could it be sold for anything like its present value?

Mr. DUNNING: Oh, no. It is a big building, but it is useful for no other purpose than that to which it is devoted. While the building is large, unfortunately it is not large on the ground floor, and the great problem of congestion is in connection with the postal facilities which must be handled on the ground floor.

Mr. ROSS (Moose Jaw): Although it is not usual for Moose Jaw to find a friend in Regina, I must say that the post office in Regina is on perhaps the most valuable piece of property in the whole city. During the last few years Regina in proportion to its population has grown perhaps more than any other city in Canada; it is going ahead very rapidly. The post office property is very valuable, and I do not doubt that the

restaurant is also very valuable from a business standpoint. I agree with the Minister of Railways that added floor space is needed in the city of Regina. I have known the city and its business for some time, and there is great congestion in the post office. There is not room in that building for a post office for a city the size of Regina, and I do not think there is anything out of the way in this vote.

Item agreed to.

Tisdale—public building, $12,000.

Mr. HEAPS: Could we have an explanation of that?

Mr. ELLIOTT: This is required to purchase a site and to pay for the erection of a public building for postal service at Tisdale. The proposed building will be a one-storey brick structure, 32 feet 6 inches by 29 feet 6 inches. The estimated cost will be $8,500 for the building, $1,800 for fittings, $800 for grading and sidewalk and $900 for contingencies, total $12,000.

Mr. GARDINER: Have you a site there?

Mr. ELLIOTT: No, we are asking for money to purchase the site.

Mr. EVANS: The revenue at Tisdale is nearly $3,000 less than at Biggar.

Item agreed to.

Alberta—Dominion public buildings—improvements, repairs, etc., $17,000.

Mr. ELLIOTT: This is generally for the repair of all the public buildings owned by the department in Alberta.

Mr. ADSHEAD: I am not going to ask the minister to build a post office in Calgary, although we need one; but I want to place certain facts before him in that regard. The post office was situated in the centre of the city on a site 100 feet by 120. My good friends to my right pulled it down and instead of building a post office they put up a fine armoury. They were going to build a post office. I am not censuring my friends to my right for not doing so, because the war broke out and the post office could not be built. At the same time all that is left there is an unsightly hole in the ground surrounded by a board fence about eight feet high. We have never had a post office since. It has migrated to three different places. First it went to Second street east, opposite the city hall; then it went to the Lancaster building on Eighth avenue west, and now it is in the Southam building on First street west. We do expect that before the lease expires the government will take into consideration the advisability of replacing the post office and I suggest that the government should do something at least to beautify that spot, and take into consideration the advisability of replacing the building which was torn down. The fence is a hideous one and should be removed.

Mr. JELLIFF: Is there any provision in this estimate for neeeded repairs to the public building at Lethbridge?

Mr. ELLIOTT: It will cover that. Public buildings generally are covered by this vote.

Mr. JELLIFF: At the request of some of my friends I visited the building and I will tell the minister that the building is settling and it needs decorating and repairing very badly. The minister perhaps knows that this building houses the post office, the Dominion land office and the income tax office. I wish the minister would look into this matter.

Mr. ELLIOTT: I am much obliged for the information. I was not aware of the settling of the building to which the hon. member refers. If it is something which is within reasonable limits it will be covered by this amount, and if not we will have to provide other means.

Mr. JELLIFF: The matter has been reported; it is within the knowledge of the government inspector at Calgary.

Mr. ADSHEAD: Will the minister tell me if there is any truth in the story that the government is considering purchasing the Southam building at the expiration of the lease instead of getting a new post office? I shall be glad to confer with the minister further in regard to this matter.

Mr. ELLIOTT: I have heard nothing of it. The lease does not expire for a couple of years.

Item agreed to.

Wainwright—public building, $15,000.

Mr. LUCAS: Could the minister give us a better explanation to-day than he gave us a few days ago why the vote for the public building at Camrose, placed in the supplementary estimates last year, has been left out?

Mr. ELLIOTT: I am afraid I cannot give any better explanation to-day.

Mr. STEVENS: A cabinet secret.

Mr. ELLIOTT: No.

Mr. LUCAS: The policy as to the construction of public buildings was determined, I understand, on the question of urgency.

I do not deny the necessity of the building at Wainwright, but will the minister tell us that there is a greater urgency for the building at Wainwright than for the building at Camrose?

Mr. ELLIOTT: From the information I have, there is urgency for the building at Wainwright, and there is a site available there. The matter has been under consideration for a number of years—since 1913, I think. It may be assumed that at that time a public building was considered necessary, and since then it has been pressed upon the government very frequently. The postal revenue of Wainwright is $6,313, and the building that is proposed to be erected would cost only $10,500.

Mr. LUCAS: What is the population?

Mr. ELLIOTT: About a thousand.

Mr. LUCAS: Will the minister compare those facts with the facts in relation to the Camrose building?

Mr. ELLIOTT: I shall be very glad to do so.

Mr. LUCAS: Will the minister give the committee the facts in regard to Camrose as to revenue and population, just as he has given them in the other case?

Mr. ELLIOTT: My hon. friend will readily understand that I have details only in regard to the items which appear in the estimates.

Mr. STEVENS: The Minister of Railways (Mr. Dunning) can help my hon. friend out.

Mr. LUCAS: The town of Camrose has a population of over two thousand. The gross annual revenue from the post office is $16,561, and from the sub-customs office over $50,000. The government still hold a lot which I believe was purchased in 1912 or 1913. The request for a post office was placed before the government last year, when they considered it of sufficient urgency to include a vote for it in the supplementary estimates, but I regret to say that the item does not appear in these main estimates for some reason or other. I should be glad to have the minister explain why the item has been cut out. Otherwise the idea will prevail that urgency is not one of the factors considered by the government in providing for new public buildings.

Mr. FRASER: I should like to ask the minister a question along the same lines as that which I asked him a few minutes ago. I notice that in 1926 there was spent in Saskatchewan $20,919, while in the present estimates the total expenditure is $205,450—ten times more.

Mr. DUNNING: Hear, hear.

Mr. FRASER: Oh yes, that is fine, that is the way the west is going all over. But contrast this with what the government is doing for Alberta. In 1926 the expenditure there amounted to $45,422, but in these estimates the total provided for is only $32,000—a decrease of 25 per cent.

Mr. DUNNING: What about British Columbia?

Mr. FRASER: I will deal with British Columbia when we come to the votes for my province.

Mr. ROSS (Moose Jaw): Surely the member for the constituency in which Wainwright is situated will stand up for his own post office?

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

After Recess

The House resumed at eight o'clock.

PRIVATE BILLS

MONTREAL, OTTAWA AND GEORGIAN BAY CANAL COMPANY

The House resumed from Tuesday, March 8, consideration of the motion of Mr. Chevrier for the second reading of Bill No. 78, respecting the Montreal, Ottawa and Georgian Bay Canal Company.

Mr. E. A. McPHERSON (Portage la Prairie): Mr. Speaker, when the debate closed the other evening the Clerk Assistant was helping me by reading a document, and I suppose the proper thing would be for him to continue. If for any reason he has mislaid that clipping or forgotten that he was my assistant on that occasion, with the permission of the House I will go on.

Mr. DUNNING: He has lost the clipping.

Mr. McPHERSON: I can assure hon. gentlemen that it was a very fine clipping, well worth inserting in the records of this House. At that time I was discussing the question of how the province of Ontario was handling its own power, and a certain amount of objection was taken to my statement that this power was being disposed of to private

interests. The clipping then being read was for the purpose of giving some idea of the conditions which were said to exist in northern Ontario. If I am wrong in my contention it is all the more reason why the matter should be investigated by a committee, as I suggested, in order that the facts may be properly ascertained regardless of our personal opinions. I have here another clipping which is so printed that I can read it, and it is rather interesting in view of the argument which is going on. This clipping is taken from the Ottawa Journal of March 11, and is headed:

> Ask For Information Upper Ottawa Power
> Power Concession at Des Joachims May Be Sought
>
> That the running streams commission of the province of Quebec is anticipating a request for a report from the Quebec legislature on the power resources of the Ottawa river, with a view to dealing with a request for development, is the information given from an authoritative source close to the Quebec government.
>
> The announcement is in keeping with the trend of events along the river, particularly at Des Joachims, where gangs of men believed to be in the employ of the International Pulp and Paper, or allied interests, were busy all last summer, and where preparations are being made for another season's work.
>
> The informer volunteered the information that the running streams commission is hastening its task of securing all possible data as to power development at Des Joachims. He states that the Ontario government too, in addition to that of Quebec, is to be approached with the view to securing a power concession at this point and that just as soon as the question of the renewal of the Georgian bay canal charter is settled, action will be speedy.

That is just another indication of the fact that while public ownership and the protection of the public are largely discussed there are other people who are interested in this power development scheme on the Ottawa river.

The original act in connection with this project, I submit, is of very great importance in this discussion, and I note with considerable satisfaction that in one particular I agree with some of the previous speakers. The hon. member for Fort William (Mr. Manion) in speaking the other night stated that the original charter in connection with this work was primarily for the purpose of building a canal, and later in the debate that opinion was supported by the hon. member for Leeds (Mr. Stewart). I agree with the hon. gentleman in that statement; the original charter as drafted would indicate that the main purpose of the charter was the construction of a canal. The hon. member for Grenville-Dundas (Mr. Casselman) remarked in the course of his address that the original charter did not authorize the production of electric power, but I would like to take a few moments to read the clause of the original charter of 1894 which has to do with that matter. The first clauses have to do with the construction of a canal, but there was a further clause inserted as follows:

> Lay out and lease or otherwise dispose of water lots and use, sell, lease or otherwise dispose of water brought by or for the said canals or works but not requisite for the same, and produce, lease and supply, or otherwise dispose of hydraulic, electric and other kinds of power in connection with the works hereby authorized.

That was the original clause (g), which received a rather substantial amendment in chapter 123 of the statutes of 1912, when the whole clause was repealed and the following substituted therefor:

> Produce, lease and supply, or otherwise dispose of surplus hydraulic, electric and other kinds of power developed in connection with and for the purposes of the works hereby authorized, the rates or prices at or for which such hydraulic and electric power may be disposed of by the company to be fixed or determined by the Board of Railway Commissioners for Canada in accordance with the provisions of section 360a of the Railway Act.

My first comment on that clause, both as it was originally and as amended, is that I think there is no doubt that power is given the company to produce and sell electric energy. But I want to draw the attention of hon. gentlemen to this very important section which appears both in the original clause and in the amendment. That is, the company is allowed to produce these various kinds of power which are developed in connection with and for the purposes of the works authorized by this charter. I submit to the House that the only interpretation which can fairly be put upon that clause is that any power produced must be in connection with the canal. This matter is so serious that I would not ask this House to take my opinion as to the exact legal interpretation of this clause, but I suggest that if the charter is primarily for the purpose of building a canal, it is a fair interpretation for a reasonable man to say that in building power plants they must do so in connection with the works authorized by the charter. I submit that that would indicate that if they did not proceed with the work authorized their power under the charter would be exceeded. That may be open to debate, may be open to legal argument, and if so the courts are there to settle the interpretation. The company would have to go to the courts

if there was any dispute on that interpretation and see what the exact conditions were—they would take that chance.

Now as to the canal itself: While a great deal of interest is taken by others in the power project, personally I have no interest in it. I am, however, interested in this canal, and the consensus of opinion of this House seems to be that a canal from Montreal to the Georgian bay would be a very valuable thing to the Dominion. It also seems to be undisputed that it is a feasible undertaking. I submit that the west is interested in having this canal. It should assist in settling the transportation problem. The hon. member for Leeds (Mr. Stewart) in his remarks the other night pointed out that the charter was first granted a long time ago and that conditions have since changed. I think he mentioned the construction of the Transcontinental railway, the Welland canal and the Panama canal as reasons why this project was not so necessary. I agree that the construction of that railway and the canals referred to does affect this canal project and might not make it so desirable; but it is a good maxim in any line of business administration to scrap old machinery if you can get cheaper and better results by introducing improvements. I do not think that will be necessary in this case, but the idea that you are precluded from getting better results because of existing conditions is not debatable. I was rather surprised that although the hon. member for Leeds went on and showed that this enterprise was not necessary and should not be allowed, at the conclusion of his remarks he expressed the opinion that the proper thing to do was for the government to build it. Now if the canal should not be built by private individuals because it is not necessary, I submit it is not advisable for the government to construct it at a loss to the country. Furthermore, I think that the government is not in a position at the present time to expend the large sums of money that would be necessary to build this canal, regardless altogether of the power development scheme. It would be an enormous undertaking, and this Dominion has heavy enough liabilities at the present time. I do not know how long it would take this country to get into a position to carry out the project and be able to afford the money. The estimated cost, as I understand it, of the canal and power project would be somewhere between two hundred and fifty and three hundred and fifty millions. A large proportion of this would be expended for dams, without taking into consideration the expenditure involved in the construction of the power plants. Therefore I quite agree that the Dominion government could not undertake this project at the present time. It might be fifty years, it might be a hundred years—I am not certain what the exact period would be—but it would be a good many years before we could undertake such a huge expenditure.

Mr. HEAPS: Is the hon. gentleman aware that the government could borrow money cheaper than private interests at the present time?

Mr. McPHERSON: They may be able to borrow money at a cheaper rate, but why borrow money if you can get the canal built without paying anything? I am as much in favour of public ownership as any hon. member in this House, but I am not prepared to sacrifice that benefit which is offered to the whole of Canada, from the maritime provinces to the west, in order to—

Mr. HEAPS: Can the hon. member show anything definite in the bill which would compel the canal to be built?

Mr. McPHERSON: I have already argued, although my hon. friend does not seem to understand the argument, that under this charter they have to build this canal before they can use the power, and that is the reason why I want this bill to go to committee. I am not prepared to say that they are falsifying their statements and that they do not intend to carry out their undertaking to build the canal. I want to put them in the position where we can get the facts from them. If they are prepared to build this canal now I do not wish to wait fifty, seventy-five or a hundred years in order to have the satisfaction of owning the canal ourselves, if we can get the benefit a great deal sooner without any cost to this Dominion.

The value of this canal I think is not in dispute. Reflect for a moment upon what it means by the opening up of northern Ontario, the opening up of the waterways from Port Arthur to the ocean, and the value it would be to Canada as a whole, and it is evident we shall have to be very careful before we say we will not even consider this matter in committee.

In closing, because it is not my intention to delay this matter by a long speech—I have tried to keep to the essential facts as closely as I could—let me say that I am in favour of this bill going to the committee in the first place because I do not think the reason

most strongly urged, that there has been delay on the part of the company, is justified. I doubt whether there has been delay for which the company are themselves to blame; but even if there had been delay, and even if that delay was solely the fault of the applicants, I submit that it is our duty as representatives of the people to go into this matter, at least in committee, and ascertain what can be done to preserve the advantages likely to result from this project for the Dominion. But I should like to put this question to hon. gentlemen who may have been in this House in 1912: at whose request and under whose direction was the amendment of 1912 inserted in the act? I am informed that it was at the request of the late Sir Adam Beck on behalf of the Hydro Electric Commission of Ontario. I do not know for certain but I am told that he was present and drafted that clause to protect the interests of that hydro-electric commission. Whether or not that is so can be ascertained. There are doubtless members still here who were on that committee in 1912.

I understand that only in two cases in the last twenty-five years has there been a refusal to send bills to the committee. One was for a patent for some electrical appliance, and the other I think was the Red lake railway bill. The present bill is of vital importance to every hon. member here, and deserves our consideration in the fullest detail. If my explanation of why the provision in subclause (g) was introduced in 1912 is not correct, then I say this: that before this charter is renewed there should be provisions inserted in the bill which will prohibit the applicants or the charter holders from making any profit out of power developments until the canal is complete. If that amendment is made I am prepared to support the bill and to renew the charter.

Hon. HUGH GUTHRIE (Leader of the Opposition): Unlike my hon. friend from Portage la Prairie (Mr. McPherson) I am opposed to this bill going to the select standing committee of this House for consideration. It may be true as my hon. friend has stated that only in a few instances have private bills in this House been defeated upon the motion for second reading. But it is equally true that seldom have private bills been introduced involving questions of so great magnitude and of such great consequence to the people of Canada in general as the bill which is under discussion now and which stands upon the motion for second reading. I realize that upon the second reading of a bill we discuss the principles of the bill rather than its details. I am unalterably opposed to the principle of this bill and I desire to record my opposition to it when the time for so doing shall arrive. In opposing this bill upon its second reading, I feel sure that I am on firm ground and that I am following established parliamentary practice both in this country and in Great Britain when a private bill of this nature is proposed in parliament. My authority for my position is pretty well summed up in the thirteenth edition of May's parliamentary procedure at page 709, where it is said:

> The second reading of a private bill, corresponds with the same stage in other bills, and in agreeing to it the House affirms the general principle, or expediency, of the measure. There is, however, a distinction between the second reading of a public and of a private bill, which should not be overlooked. A public bill being founded on reasons of state policy, the House, in agreeing to its second reading, accepts and affirms those reasons: but the expediency of a private bill, being mainly founded upon allegations of fact, which have not yet been proved, the House, in agreeing to its second reading, affirms the principle of the bill, conditionally, and subject to the proof of such allegations before the committee. Where, irrespective of such facts, the principle is objectionable, the House will not consent to the second reading; but otherwise, the expediency of the measure is usually left for the consideration of the committee. This is the first occasion on which a bill is brought before the House otherwise than pro forma,—

That is to say, the second reading.

—or in connection with the standing orders; and if the bill be opposed, upon its principle, it is the proper time for attempting its defeat.

I oppose this bill on principle. I consider it thoroughly bad in principle and if passed it will prove worse in practice; and I intend to record my vote, when the time comes, as opposed to it. Before concluding my remarks, I shall place in your hands, Mr. Speaker, an amendment in the followig words:

> That all the words after the word "that" in the said motion be struck out and the following substituted therefor:
> The character and object of this bill involve matters of grave national and provincial importance, and are such as to constitute it a measure of public policy which ought not to be dealt with by any private bill.

This amendment has been framed in accordance with recognized precedent in this House in such cases. The bill before us, Mr. Speaker, involves, I submit, very grave questions of public policy. I doubt whether that statement will be denied in any section of the House. I cannot conjure up before my mind any graver matter of public policy at this moment in Canada than the great ques-

tion of transportation. We have in this bill a proposal that a private corporation shall construct a great transportation work in this country over a course of waterway estimated at about 200 miles, and when that work is constructed it will be a means of carrying the great products of the Canadian west to the Canadian east or to Europe and the products of the east back to the Canadian west—a project which one only needs to state to convince oneself of its importance and of its thoroughly national aspect.

But there is another view of the matter which the House will readily appreciate. This transportation work, if ever constructed, will be at once a competitor with other transportation lines which this country owns and operates and which we all regard as great national undertakings. During recent years we have spent well on to $100,000,000 on the Welland canal for the purpose of improving a waterway from the west to the east and on to Europe. We are proceeding with that expenditure to-day but the Welland canal is not our final goal: once we are through the Welland canal we must go on to the St. Lawrence and have a completed waterway. The object of the present bill is to construct another great canal by private interests to compete directly with the millions which we have already invested in our present waterway a few miles south of the one proposed. We have in this country, moreover, another transportation system, upon which we have expended hundreds upon hundreds of millions of dollars of Canadian money, known as the Canadian National Railways, a great national undertaking in the success of which every corner of the Dominion is interested. This bill proposes to incorporate a private undertaking to construct a work to be carried on in opposition to and in competition with the two established transportation systems in Canada owned by the Canadian people. When one considers these facts, can one hestitate for a moment to decide that this bill deals directly with a matter of public policy and not of private interest in any sense of the word?

There are many other considerations of a distinctly public nature involved in this proposal. The rights of the Dominion and the rights of two great provinces are directly concerned, and these must be taken into account. I agree that until recent years provincial rights as opposed to Dominion rights have not perhaps been very well settled. But through a long succession of decisions in our courts of justice and in the privy council these rights have now been so well determined and adjusted that we all know and recognize them when they are stated. Involved in this proposed work is an interprovincial river dividing the great province of Quebec from the province of Ontario, and we know that on either side of that river, all the land is under the jurisdiction of the legislatures of one or other of these provinces. We know that the provinces own the land; we know that the provinces own the beds of the river right to the middle; we know that the provinces own and control the water in the river; we know that the provinces own and control even the fish in these waters. All, therefore, that this parliament is concerned with is its paramount right in respect of the single question of navigation; that is the only authority which the parliament of Canada can exercise over an interprovincial river. This bill seeks to interfere with provincial rights; it proposes to grant, as an incidental power, the right to utilize for electrical development the water of the Ottawa river and to a certain extent the land on either side of the river, irrespective of the authority of the provinces of Quebec and of Ontario. Surely that is a matter of public policy; surely it is a matter which involves a great principle. And it is a matter of too great magnitude and too great consequence to be entrusted to any private individuals or to any private corporation. Why, one has only to state the case to realize its gravity and importance. On the Ottawa river it is said that over 1,000,000 horse-power of electrical energy can be developed. This potential power is the property of the provinces of Ontario and Quebec; it is so to-day. On the French river, which is entirely, I think, within the province of Ontario, it is said that there is another large amount of electrical power available. Ontario to-day is suffering from a lack of electrical power, and Ontario is looking to the Ottawa river to supply a very necessary demand. The province of Quebec to-day is suffering from a shortage of electrical power, and is stretching out in every direction in its own province to supply the demand. Should we permit a private company, should we permit any body of individuals to come to this parliament and say: We ask you to confer upon us rights which will supersede all provincial claims; we ask you to recognize and restore a charter granted to us by this parliament thirty-three years ago, and to give us further time to construct a work to compete directly with two great national undertakings of this country; we ask you to give us a renewal of authority to construct a work which may deprive both Ontario and

Quebec of a wealth of electrical power which the provinces to-day rightly own.

Is this not a matter of grave public concern? Is this not a matter of grave public policy? Is this not a matter which involves a great principle? We in this House must decide upon this question of principles. The highest parliamentary authority in Great Britain or in this country from whom I have quoted supports my contention. May's Parliamentary Procedure is the standard, and May distinctly asserts that the appropriate stage at which to object to the principle of a private bill is upon the motion for second reading. The amendment which I have proposed will afford every member of this House an opportunity of deciding upon that principle. Such was the object which I had in moving the amendment, my main object, of course, being to destroy this measure, to blot it out.

I do not attach very much weight to the argument of hon. members who say: Oh, let it go to the committee. If we do, we will have approved the principle of the bill, and as I said before, I am unalterably opposed to the principle of this bill.

I am not going to prolong my remarks upon this occasion, at all events, Mr. Speaker. I am going to place in your hands now the amendment which I have just read, and which I shall read again. It is moved by myself, and seconded by the hon. member for Argenteuil (Sir George Perley):

> That all the words after the word "that" in the said motion be struck out and the following substituted therefor:
> The character and object of this bill involve matters of grave national and provincial importance, and are such as to constitute it a measure of public policy which ought not to be dealt with by any private bill.

Mr. T L.. CHURCH (Toronto Northwest): Mr. Speaker, I am opposed both to the motion and the amendment before the House. It is on the second reading of a bill that its principle must be considered. The province of Ontario will soon find out where the two political parties in this honourable House stand so far as the development of water-power is concerned.

I want to say to my hon. friend from Portage la Prairie (Mr. McPherson) that there is no province suffering to-day from corporation rule worse than the province of Manitoba. From the Nipigon river westward, all the water-powers of this country have been given over to American millionaires.

This particular bill, Mr. Speaker, first came before this House in 1894. It has survived thirty-three years. It first came up before the diamond jubilee of our late beloved Queen Victoria. It ran through the reign of King Edward VII, and survived through to the reign of King George V. I say, Mr. Speaker, that it makes this parliament look ridiculous in the eyes of the free citizens of this country to-day that after thirty-three years we should again have this bill before us. Sir Clifford Sifton, who is our arch enemy in the matter of water-powers, wants to grab the whole water-powers of the Ottawa valley. Sir Clifford Sifton has been dominating the west for many years. It is he who is responsible for all the railway ills of this country through tying up the Canadian Pacific to the Crows-nest pass agreement, which is the basis of the rate structure of this country, past, present and future, and if the west is suffering to-day from lack of development of its water-powers and from corporation rule, it is due to the fact that Sir Clifford Sifton in the past has been able to dominate in the Liberal party.

The Liberal party is on trial to-night in this House before the citizens of this country. What is the policy of the government to-day on this particular bill, this bill which has survived under nine prime ministers, under two kings and three queens of this great empire, under eight or nine parliaments, and is again today before this House after thirty-three years during which not a spadeful of earth has been dug on this canal? We have seen the Liberals of Saskatchewan and Manitoba rising in this House to-night and shedding buckets of tears over this multi-millionaire Sir Clifford Sifton, who wants now to grab all the water-powers of the Ottawa valley.

This is not the first time that I have opposed this bill. I was down opposing it with our late beloved leader of the hydro project in Ontario. Sir Adam Beck may be dead today, but his principles will live forever throughout Ontario. I well remember coming down with him and appearing before the committee on railways, canals and telegraph lines, and hydro had very few friends then in either the Conservative or the Liberal party. I well remember the time when Sir Adam Beck and I were howled down in the railway committee by a large number of gentlemen in the session of 1912. We were here again in 1913, again in 1915, and again in 1918, and I think the last time we were down here to oppose this particular bill was when I was chief magistrate for the city of Toronto in 1921.

The hon. member for Portage la Prairie argued again to-night, as he did last Tuesday, that the company will have to build the canal features first. The canal features of this bill, Mr. Speaker, are a huge joke, and the joker is in the bill. It is ten times

worse than the Newmarket canal. Did anybody ever hear of the Liberal party doing anything with regard to that canal except making a political football of it? The people of North York got tired of them, and they defeated the Prime Minister, the leader of the Liberal party, in 1925. Where does the Liberal party stand to-night on this particular bill? It would make a political football of the Ottawa river to-day, just as it tried to do of the Niagara river. In the railway committee last session, I asked what was the policy of the government regarding the Red lake bill? I had the opportunity of talking that bill out, on five or six different nights, and I am prepared to talk this bill out, if necessary, on ten or fifteen nights, because my constituents expect me to do it. I want to know where the Prime Minister stands in regard to this bill. Let me quote from the Toronto Globe, a good Liberal paper, the paper of George Brown.

I look to you, Mr. Speaker, as one of the shining lights of Liberalism in this country to-day. You have never deserted your principles. You stood like a bulwark when others of the Liberal party were willing to surrender the west. You and your predecessor, two of the most brilliant postmasters general, fought that bill to the death. But the Liberal party were captured by the Globe and the Globe pressed for concession after concession with the result that Sir Clifford Sifton is to blame for all the present railway ills of this country. Millions and millions of dollars have been wasted because of mistakes made by Sir Clifford Sifton. You, Mr. Speaker, and Sir William Mulock fought hard to save the Liberal party from being corporationized at that particular time. Sir Clifford Sifton has never built anything in this country. He has made a football out of this particular bill. The Sifton interests are the same as the Holt interests; they are trying to fight each other behind a smoke screen. They are part and parcel of a group of American multimillionaires trying to get this country by the throat. I am surprised at those of the Progressive party who come from Ontario not rising to the defence of the principles for which Sir Adam Beck fought and died. Sir Adam had to fight corporations all his life, but he lived to see his principles respected by Ontario and by Canada.

To-day I ask the government where they stand in this country. Are they prepared to announce their policy regarding the fourteenth renewal of this charter, one of the most iniquitous charters which ever came before this House? The Conservative party stands on trial; so does the Liberal party, and the party system stands or falls by what we do with this particular bill. The people of this country will not any longer stand for the handing over of our water-powers and the wealth of this Dominion to a number of Americans who have come over to Canada and who have found it a happy hunting ground for many years past. Let me say to those who come from Ontario that Sir Adam Beck's work will live for generations. He was the greatest protectionist leader this country ever produced. As Mr. Bruce, the Prime Minister of Australia, said a month or two ago, the work of Sir Adam Beck stands as one of the most marvelous achievements of the age, something of which Canada and the British Empire might well be proud. Ontario should revere that great statesman's memory long enough to defeat this bill.

My respected leader, the hon. member for South Wellington (Mr. Guthrie) has always been a good hydro man. In fact he is a city solicitor and one of the counsel for the hydro in his municipality. I believe the motion before the chair, while it does not go as far as I would like, will have the same effect—that of killing the bill. The Liberal party stands on trial in regard to this particular issue. There are only a few Liberals left in Ontario, and after the Liberal party line up, as I expect them to do in a few days, there will be very few of them left in Ontario. I doubt if there will be many of them left in Manitoba, Saskatchewan and Alberta, because the people are wakening up to the magnificent resources which they have in those particular provinces.

In to-day's Globe there is an editorial sounding the call to arms of the Liberals of this country. The Globe has not deserted the Liberal party; it is the Liberal party that has deserted the Globe and the principles of George Brown. The Globe to-day stands before the people of Ontario in a position in which it has never stood before. It is taking a front place to-day in supporting the platform and policy of Sir Adam Beck in that province. The Globe comes out to-day with an editorial asking where the Liberal party stands. The Liberal party must either stand or fall by their policy in this House. I do not see the much honoured and respected young Prime Minister (Mr. Mackenzie King) in the chamber to-night. I see the beloved Minister of Justice (Mr. Lapointe)—because he is beloved by his own party and

by many on this side of the House. The Globe editorial reads:

Let the Government Speak

For four days now the Dominion parliament has discussed the Georgian Bay Canal Bill in the hours devoted to private members' bills. On each occasion the bill has been talked out. Has the time not come when the government should declare itself on the measure? The Globe believes it has, and is convinced that the great importance of the issue demands an expression of governmental opinion. In saying this the Globe does not forget that the government is not responsible for bills of private members, and may be quite within its rights in refusing to commit itself for or against a private measure. But the importance of the issue in the present instance more than warrants a departure from precedent.

Whether this 33-year old charter is renewed or not is a matter of first importance to two great provinces of the Dominion. With a unanimous voice the legislature of Ontario has spoken strongly against the renewal of the charter and protested to the Dominion government against what it considers to be an unwarranted usurpation of the water-power rights of the province. Surely in response to such a protest the government ought to declare itself. Mr. A. Clair Casselman, Conservative member for Grenville, on Tuesday urged the ministry, in fairness to itself, to state to the people where it stood with reference to what it termed the "power grab".

It is not a "power grab" at all. Newspapers on both sides in this province have been calling the Chicago diversion of water a "water steal," but the Chicago diversion of water is only a miniature steal. This grab of power in the Ottawa valley is a steal on the part of the Siftons.

"The government is laying itself open to rather serious charges," he said, and further added: "I would suggest that, since we are now on our fourth day on this matter in the House, the government should suggest to us what it is its intention to do; whether it is going to support the charter or whether it is not.

It has happened in the past, and may happen in the present instance, that government members have voted against one another on a private bill. But neither this nor any other consideration of precedent or custom should prevent an expression of governmental opinion on this important matter. The government should declare where it stands on the measure, and do it now.

Where is the Minister of Customs and Excise (Mr. Euler) to-night? In the days when Sir Adam Beck was alive he boasted that he was a hydro man. The hon. member for North Bruce, the present Minister of Trade and Commerce, (Mr. Malcolm) did the same thing. They were ready to stand up on political platforms in Bruce and Waterloo counties and say: we are hydro supporters; we will defend the principles for which Sir Adam Beck fought and died. If we look at the Ottawa valley, we see that the whole of eastern Ontario has been stagnant for the past twenty-five years. Why? Because the Liberal party in eastern Ontario did not believe in Sir Adam Beck; they believed in private ownership, with the result to-day that the Ottawa valley right up to Nipissing and the Mattawa river is under the control of whom? Of American multi-millionaires, and more territory west of the Quebec boundary right up to the Nipigon river has been ceded to Americans than was ceded in the days of George III.

The hon. member for Portage la Prairie (Mr. McPherson) the other evening in this House read an article from a Cochrane paper about the Abitibi Electric Development Company, and he blamed the hydro for it. Let me tell the hon. gentleman that he did not know what he was talking about. The Abitibi Electric Development Company was a privately-owned concern. In 1905, 1906, 1907 and 1908 I was one of a deputation of hydro men who went to ask the Ontario government to electrify the Temiskaming and Northern Ontario in order to aid in the development of the Ottawa valley right up to Cochrane and to carry the boon of cheap light and power from the water-powers of the great province of Ontario to the mining camps in the northern part of the Ottawa valley. The failure to act in this matter was one of the very few mistakes made by Sir James Whitney. The Conservative party of Ontario deserve all the credit for the hydro-electric movement. Talk of that movement being in politics! It must stay in politics until we get all the water-powers not only of the Ottawa valley but of new Ontario. Let me tell the hon. member for Portage la Prairie (Mr. McPherson) that the corporations were so influential that they kept Sir Adam Beck out of new Ontario, with the result that to-day the Abitibi Company, according to the article read the other night in this House, are going to charge the town of Cochrane and the mining companies in the neighbourhood at the rate of $75 per horse-power. Who is to blame for that? The people of new Ontario, because they allowed themselves to be deluded by the subsidized press of that section of the country which shouted from the housetops in favour of the corporation.

This bill is one of the most monstrous outrages that was ever perpetrated on this country. It is not a canal proposition at all. A lot of Liberal members from Manitoba are only too willing to take it for granted that the proposed canal will be constructed, but

I can tell those hon. gentlemen that instead of a spade being used to turn the first sod for a canal it will be put in the ground to bury them, not only politically but otherwise. This canal has the Newmarket canal beaten forty ways. I wish Gilbert and Sullivan were alive to write a comic opera on this wonderful canal about which the hon. member for Portage la Prairie seems to be somewhat concerned. Again I assure him that he need feel no uneasiness whatever—the canal will never be built. The proposition has been referred to in many elections in the Ottawa valley and has no doubt proved very useful in providing campaign funds for many candidates in that territory, just as the Newmarket canal served a similar purpose in North York.

Last session, Mr. Speaker, I urged that we should go through the statute books and find out how many of these paper companies are still holding charters that may affect power developments for the benefit of the people. This charter stands in the way of Ontario utilizing the water-powers of the Ottawa river. But as for the canal, it is all paper; there is no water in it at all. The first charter was secured away back in the days of good old Queen Victoria, in 1894, two years before Sir Wilfrid Laurier made Canada a nation. The promoters came to the House again in 1898 and secured a renewal, the incorporators numbering ninety-seven and being composed of all the politicians, great and small, in the city of Ottawa. It will be noted that the incorporators were only three less than the celebrated committee of a hundred. It was proposed by chapter 108 of the statutes of 1898 that the company should have sixteen provisional directors. The promoters came back to parliament in 1900 for a further extension of time, and found it hard work to get six gentlemen to act as provisional directors. During the general election of 1900 we heard a great deal about this canal in the Ottawa valley and about the Newmarket canal in the Toronto district. My young friend from Parkdale, as a member of the Parkdale Canoe Club, was supposed to take his canoe up the shining waters of the Newmarket canal and then through the Trent system to Georgian bay and thence by this long-promised canal down the Ottawa river.

Another application for a further extension of time was made in 1904, and the promoters then undertook to go full steam ahead with the canal. They had been to England and interested a good old Britisher by the name of Sir Robert Perks, who came out here and went over the proposed route of the canal. On the strength of this it was said that contracts had been let for the work, but strange to say, not a sod was turned. The only canal we have in the Ottawa valley so far is the canal in front of the Chateau Laurier, and along the banks of that canal we see a few rowboats, which I suppose represent Canada's navy.

Mr. SPEAKER: The hour for private bills being exhausted, the House will now revert to supply.

SUPPLY

DEPARTMENT OF PUBLIC WORKS

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

The CHAIRMAN: When the committee rose at six o'clock we were considering item 140—$16,000 for a public building at Wainwright, Alberta.

Mr. LUCAS: The minister has told us that urgency is the factor which determines whether or not public buildings shall be erected. In looking over the list I find that to Kensington with a revenue of about $3,000 we voted $12,000; to Baie St. Paul, with a revenue of about $3,600 we voted $20,000; to Kenogami, with a revenue of about $7,000 we voted $27,000 and to Limoilou, with a revenue of about $5,000 we voted $50,000. Then in Ontario to Durham, with a revenue of about $6,300 we voted $20,000; to Rockland, with a revenue of about $2,800, we voted $25,000, and to Tisdale, Saskatchewan, with a revenue of about $7,000 we voted $12,000. In the item now before us, however, we find Wainwright, with a revenue of $6,313, being voted $15,000. If these amounts have been voted to these various places on account of urgency, I would point out that Camrose has a revenue of $16,500 and is therefore entitled to the very best consideration by the government. In addition to that, the customs office there produces a revenue of over $50,000 annually. Camrose is one of the most flourishing towns in Alberta, and the postal authorities have agreed that if any public buildings for postal purposes were to be constructed in Alberta Camrose should receive first consideration. It is a very important railway centre, with lines radiating from it in eight different directions; it has a very fine normal school which accommodates several hundred students every year, and I know the present post office is taxed beyond its capacity. I feel sure that this has been an oversight on the part of the government; I would not want to think this item was dropped for any other reason, and I am going to ask the minister if he will not

give this very favourable consideration, and place in the supplementary estimates an amount sufficient to take care of the construction of a public building in that town.

Mr. ELLIOTT: I cannot give my hon. friend any further reply than I have already given. I might repeat what I have already said to him, but I do not know that that would assist matters. This matter will be considered with the various other applications for public buildings, of which there are many, and they will all receive the best consideration we can possibly give.

Mr. LUCAS: Would not the minister go so far as to say that he would give this particular matter his favourable consideration?

Mr. ELLIOTT: I cannot say that.

Mr. CAMPBELL: Perhaps the minister will tell us why it was given favourable consideration in the estimates last year?

Mr. ELLIOTT: I was not in charge of the department at that time.

Mr. CAMPBELL: Do I understand that the change of ministers has brought about a change in the policy of the department? It would appear that that has been so, when places like Tisdale and Kensington can get new post offices.

Mr. MacLEAN (Prince): I do not like to hear a good Prince Edward Islander continually taking up the question of the Kensington post office; I must take exception to that.

Mr. CAMPBELL: I do not know just what my hon. friend means by a "good" Prince Edward Islander. I know the village of Kensington very well; it is a delightful and splendid little place, but there are hundreds of places in western Canada just as nice and larger which have never dreamed of getting a post office. I made a reference to one such town near my own home, and there are many even larger places, more deserving of post offices, which cannot get them. There are many incorporated towns of considerable size in which I would like to see public buildings, but I realize that we cannot get them all. I do think, however, that when the money is being spent it should be distributed as nearly as possible according to the needs, and the needs should be based as much as possible on the revenue of the post offices. I am criticizing this item because of the amount of money being spent in comparison to the revenue derived.

[Mr. Lucas.]

Mr. SPENCER: I would like to support the contention of the hon. member for Camrose (Mr. Lucas) that there should be a post office built in that town, because after all is said and done Camrose is bringing in a large revenue to the government. I cannot understand why this item was dropped from the estimates. So far as the item under discussion goes, I know the locality very well indeed, and recognize that the reason a new building was requested, is that the present premises are very inadequate. The town of Wainwright is of some importance as a tourist centre, and as we all know, the largest buffalo park in the world is located near it. It is also the centre of a coming oil field, and there is every reason why a new building worthy of the town should be constructed.

Mr. GARDINER: There is just one point to which I would like to draw the attention of the minister, more particularly when he is making up the supplementary estimates. If you go through the items you will find that practically every province has had an increase in the expenditures to be made, with the one exception of Alberta, for which province the expenditure has been reduced. When the supplementary estimates are being made up I would suggest that this fact be taken into account.

Mr. JELLIFF: For the life of me I cannot understand why, when an amount was included for the Camrose post office in the supplementary estimates for last year, it should be dropped from the estimates this year. It does seem to me that in consideration of the revenue from the post office and customs office, and with the population and business done in that place, the minister would be well advised to maintain this item in the estimates for this year. Only $32,000 is being spent in the whole province of Alberta this year; $17,000 is for general repairs to public buildings, something required every year, and the remainder is made up of this single item of $15,000 for the post office at Wainwright. I have a feeling that this matter is not being dealt with in absolute fairness, and I am going to urge the minister, as the hon. member for Camrose has done, to reconsider this matter and include this item in the supplementary estimates.

Mr. MANION: May I, as a member from Ontario, support the hon. member for Camrose in the attitude he has taken, and I would like to point out to the minister that we might be a little more frank in these discussions. We have heard a number of members get up and say they do not understand why this item

was cut out. We all frankly admit why it was cut out—it was because the member for Camrose did not vote with the government last year. There is no use beating about the bush. The same thing happened in the constituency of Queen's-Lunenburg: the item in that case was cut out of the supplementary estimates after the election of the present member. If the minister can confound my reasoning by reinserting these items in the supplementaries I shall be glad to see him do it.

Item agreed to.

British Columbia—public works, $243,262.
Bentinck island lazaretto—new buildings, $5,000.

Mr. ESLING: In connection with the British Columbia vote I should like just to draw attention to the policy advanced by the Minister of Public Works in which he indicated that public buildings would be provided where there was not adequate provision already and where urgent necessity for better accommodation existed. Now this meagre vote for public buildings in British Columbia suggests that the Minister of Health, who is the direct representative of the province in the cabinet, must be exercising his political prejudices against British Columbia because it gave the Conservatives a popular majority of nearly 100,000. There is no other construction to be placed on the fact that we are not getting very much in the way of public buildings in British Columbia. We know that under the generalship of the Minister of Health, who had charge of the British Columbia campaign, the only Liberal returned from that province was the minister himself; and curiously enough in the whole eastern half of the province the only vote for a public building is in the district represented by the minister himself.

Now I want to follow entirely the line of policy indicated by the minister. In the district of East Kootenay, represented by the Minister of Health, there is one vote for $5,500 for a public building in the town of Kimberley. Kimberley will be very glad to hear that news; yet at the same time I submit it will be disappointed, because it is one of the thriving communities of British Columbia, and should have a vote of $25,000. It has a population of three or four thousand, and certainly a $5,000 vote is inadequate for a place which has practically the richest silver-lead mine on the whole American continent. There are many local improvements going on there, and among the communities in the province that should be able to lay claim to a public building Kimberley certainly is one. The fact of the matter is that the Minister of Health owes a great deal to the community of Kimberley. I do not blame the Minister of Public Works for all the contentious discussion that has been going on in this House this afternoon. Really I feel sorry for him because he has inherited a lot of his troubles from his predecessor.

Now, I think we have to admit this—that the minister from each province is responsible for the estimates which are allocated to that province. In other words the Minister of Health is the direct representative in the cabinet from British Columbia, and when he takes part in the cabinet councils, or when he makes his recommendations to the Minister of Finance or to the Minister of Public Works, the only conclusion is that those recommendations will be accepted. Therefore we are forced to assume that in this case the minister was either exercising his political prejudices or the government does not pay very much attention to him.

There is a very marked difference between the estimates brought down right on the eve of an election, and estimates brought down after an election is over and the government feel safe. We have a fair illustration of that in connection with the estimates from the prairie provinces. I want to emphasize that statement from the circumstances connected with one of the cities in my own district. You all remember the general election which took place on the 29th October, 1925. With the object of giving a little prestige to my opponent the Minister of Health purchased a site in the town of Trail for a public building. For that site, consisting of two bare lots, he paid $11,000. Of course they bought these lots from the local Liberal whip. He was the man who put the deal through. Eleven thousand dollars for two bare lots!

Mr. SPENCE (Parkdale): How much were they worth?

Mr. ESLING: They were assessed at $2,300. At the other end of the same identical block there were two lots on which there was a building. The government had an option on these two lots and that building for $9,000, but they were owned by a Conservative and so their purchase was not considered. The government had a chance to purchase for $9,000 a piece of property which had a rental value of $125 per month. Yet they passed that up and purchased two vacant lots with no rental value at all for $11,000. The simple explanation of that is the influence exercised by the Minister of Health. Having purchased

this site for a public building one would have supposed there would have been some intimation on the part of the Minister of Health that the construction of the building would be proceeded with. He got the lots in September, 1925. Remember, the election took place on the 29th of October, 1925. On the 4th of September, 1925, the option was exercised, and on the 27th of September, 1925, just exactly one month prior to the election, there went to the surveyor a rush wire from the resident architect in Victoria. Just to show you the political influence behind it, I may say that this rush wire said:

Will be glad if you will proceed to Trail and have a survey made with the utmost despatch as the matter is very urgent.

The utmost despatch on the eve of this election! They wanted to have this survey made.

Mr. GUTHRIE: Who sent the telegram?

Mr. ESLING: It is signed by the architect of the Public Works department resident in Victoria, who of course gets his instructions from Ottawa. The Minister of Public Works at that time was the hon. gentleman who now occupies the portfolio of Health. Not satisfied, they got the lots surveyed, and for this purpose they thought it necessary to bring a man from the outside. There are three local surveyors in the city of Trail fully qualified for any work of this nature, but instead of securing one of these men the department, simply because they were Conservatives, went to the city of Nelson fifty miles away and brought in a Liberal surveyor, whom they had to pay more than would have been charged by any of the others. They had to pay two or three days' hotel expenses for this man with the result that it cost them $50 to survey two little lots 25 by 100. I do not at all blame the present Minister of Public Works (Mr. Elliott) because he must either accept or reject the recommendations of his colleague from British Columbia, and in this case I take it for granted that the latter hon. gentleman recommended what was done.

What I want to impress upon the government is this, that in five years the city of Trail has contributed to the public treasury by way of post office receipts and customs the sum of $300,000.

The CHAIRMAN: May I point out to the hon. member that, according to section 5 of rule 13, speeches in committee of the whole must be strictly relevant to the item or clause under consideration. Considerable latitude is always given in the discussion of estimates, but surely what happened in Trail has nothing to do with the item under consideration, which concerns the Bentinck island lazaretto.

Mr. STEVENS: Before you rule on the point Mr. Chairman—

The CHAIRMAN: I am not ruling; I am simply pointing out to the hon. member that his remarks at present are not strictly relevant to the item before the committee.

Mr. STEVENS: I submit, Mr. Chairman, that they are. We are discussing vote No. 141 which embraces items in connection with public buildings in British Columbia generally. Bentinck island is not the only item in the vote; there are estimates for Dominion public buildings at Esquimalt, Kimberley, William Head quarantine station, and so on. The vote covers the whole province, the amount asked for being $243,000 odd. Surely the remarks of the hon. member are in order. As a matter of fact, this is the only opportunity he will have of discussing the question which he is now considering, and I submit, Mr. Chairman, that if you give a ruling of the character suggested it will be most unfair to the hon. member. More than that, it will be a complete abandonment of what has been the practice of this House, certainly for the last sixteen years, and I presume since confederation.

The CHAIRMAN: I would remind the hon. member that the committee decided this afternoon to discuss these votes item by item. There is another vote, No. 142, under the head "Generally", which will allow the hon. member to take up the subject he is now discussing. But certainly his remarks are not in order under this item.

Mr. STEVENS: During the last two or three days we have been discussing votes for every other province and the widest latitude has been allowed, as is in keeping with the practice in this parliament; and I submit, Mr. Chairman, that it would be exceedingly unfair were you to rule the hon. member out of order. It is all very well to say that he can take up the matter under some other item, but this is the proper place for him to discuss any question appertaining to public buildings in British Columbia.

The CHAIRMAN: As I have already intimated, the committee decided to take the vote item by item, and the hon. member (Mr. Esling) has been discussing a matter relating to a subsequent vote

Mr. GUTHRIE: There is only one resolution before the chair, relating to public buildings generally in British Columbia. The hon. member, I submit, is in order.

Mr. LAPOINTE: As you have observed, Mr. Chairman, the hon. member for Vancouver Centre (Mr. Stevens) asked that these votes be taken item by item.

Mr. STEVENS: I never mentioned it.

Mr. LAPOINTE: Somebody did. I think the chairman is technically right, but I would ask him not to insist on the point. Without establishing any precedent we are all willing to listen to the hon. member for West Kootenay.

The CHAIRMAN: I may say that I had no intention in the first place of calling the hon. member to order, but in view of the criticism which has been made, that time has been wasted, I thought it proper to call his attention to the rule.

Mr. STEVENS: I protest against any suggestion that time has been wasted.

Mr. LAPOINTE: We are agreeing with you.

Mr. STEVENS: I will not sit here and allow the chairman to say that we have been wasting time.

Some hon. MEMBERS: Order.

Mr. STEVENS: The government will find that things will not roll along so smoothly if they seek to override members on this side of the House.

Mr. LAPOINTE: How can my hon. friend address that remark to the government in view of the statement I have just made, that we are willing to let the hon. gentleman proceed?

Mr. STEVENS: I am addressing the chairman.

Mr. LAPOINTE: You spoke of the government.

Mr. STEVENS: You may as well have an understanding now as any other time.

Mr. ESLING: Mr. Chairman, I would confine myself to the item, but the trouble is that it is not there; I cannot speak to it.

I was pointing out that in this particular place, the city of Trail, which I represent, nothing has been spent in the construction of public buildings, although we contribute to the federal exchequer every year four times the total vote for public buildings in British Columbia. Here is a little community of 8,000 which contributes to the treasury $1,000,000 per annum in taxation, yet the accommodation in public buildings which it so badly needs is not given. Notwithstanding that large contribution we make to the Dominion exchequer not one dollar has been spent in public works in that city in the whole period of thirty years I have lived there. Surely, therefore, we are not extravagant in asking now for a vote for a public building.

I would point out also wherein the Dominion is indebted to Trail. Let me take you back to January, 1915. At that time the allies needed zinc, and they were being held up by a syndicate of New York brokers who were charging them forty-four cents per pound for that commodity. The city of Trail then set its research department to work with the result that it evolved a process for treating complex ores which relieved not only this government, but all the allies, for Trail was able to supply zinc at the rate of fifteen cents per pound. Should not such an accomplishment receive some consideration? To-day we are producing in this little community, which the Minister of Health would overlook, 6 per cent of the world's zinc supply and 8 per cent of its lead supply. We have there the largest industrial institution probably in the whole Dominion, except perhaps the British Empire Steel Corporation. Figured in dollars and cents our production is $35,000,000 per year, and that is one little community of 8,000 people, and yet the Minister of Health does not think it is of sufficient importance to recommend a public building to the Public Works department. We produce pure gold, pure silver, pure lead, pure copper, pure zinc, sulphuric acid, antimony and innumerable by-products.

Mr. CAMPBELL: But you do not produce any Liberals there.

Mr. ESLING: That is quite right. The Minister of Public Works this afternoon, in attempting to justify a certain vote, said that there had been an increase in the population of the place. The community I speak for, has in five years time increased its population from 3,000 to 8,000, or an increase of 5,000 people. In that community we have a memorial hall built by the citizens themselves with the assistance of the company, and its equipment is not surpassed in the whole Dominion. It has a gymnasium, recreation rooms, bowling alleys and so forth. We have also a hospital which is the last word in construction and equipment.

I want to say a word now as to the human touch that exists as between the company and its employees. First, this company gives its men group insurance. It has also put aside

several hundred thousand dollars for a pension fund, so that a man as soon as he has put in so many years with the company will be able to retire on pension. It also helps its employees in the building of homes. It has loaned to the people of this community half a million dollars for that purpose, and any man who can pay twenty per cent of the cost of his home is advanced the other eighty per cent by the company, at a very low rate of interest. With half a million dollars advanced to this community to help in the construction of homes, the Minister of Health still does not think it is of sufficient importance to give them a small public building, notwithstanding the fact that we have not had one dollar of public expenditure in thirty years. The company also gives the men in its employ fifty dollars in cash at Christmas time, and every married man who has been in the service of the company for three years gets a share of stock in the company, worth $250. The company comes just about as near looking after the welfare of its employees as it is humanly possible for any company to do. It has a payroll of about $500,000 a month.

This afternoon the Minister of Public Works in justifying some of his estimates, said, "I am endeavouring to carry out a policy of constructing public buildings where there is not adequate accommodation, and where the necessity is urgent." I propose to put my case up to the hon. Minister of Public Works, and to show that the necessity for a public building in this community is urgent. I want first to read a letter from the hon. Minister of Health, who is British Columbia's direct representative in the cabinet. I had asked him to give consideration to this matter of the construction of a public building, and he replied under date of February 3, which is not very long ago:

> I am thoroughly conversant with the necessities of that district—

Meaning my district:

> —and it was with a view to giving better accommodation that I recommended the purchase of a property in Trail some time ago—

That "some time ago" was just a month before the 1925 election:

> —it being my intention to advocate the erection of a suitable building on this site.

Now I would ask the present Minister of Public Works if the former Minister of Public Works, who is now the Minister of Health, advocated a vote for this building. He says further:

> I am sure it is the desire of the government to meet the requirements of the fast-growing

communities in Canada, but it is well realized that owing to the Great war there was a general desire to curtail public expenditure. It is only within the last two or three years that the government has been able to see its way clear to undertake the construction of new buildings, some of which have been completed.

The Minister of Health apparently has not seen his way clear to recommend the construction of this urgently needed building.

Now I want to quote from a letter from the present Postmaster General. I put this matter up to him, and he was very sympathetic. He did not merely say: I will give it consideration. No, under date of January 4, he wrote:

> I may say that the construction of public buildings is a matter of policy resting with the Minister of Public Works, but I have already made representations to his department that the accommodation at present provided at Trail is totally inadequate, and have urged the erection of a suitable public building.

That comes direct from the Postmaster General himself—"the accommodation is totally inadequate, and have urged the erection of a suitable public building." I have given you the letter from the Minister of Health, showing that he realizes the necessity for this public building in Trail; I have given you the letter from the Postmaster General, saying that he has urged the Department of Public Works to construct a building in Trail. Now I want to quote from the Post Office department itself. The conditions in the city of Trail became so acute, and are so acute to-day, that the Post Office department sent a special inspector to Trail to investigate the conditions, and this inspector reported:

> The present quarters cover 1,218 feet of floor space.

The building which the government rejected contains something like 1,500 feet of floor space. The inspector also reported that there were 1,037 boxes, and that the postmaster there stated that there were 500 people waiting to get boxes. That is, there were 1,037 boxes in use, and 500 people were lined up there waiting to get boxes. There is only room in that post office for 100 boxes, and the postmaster hesitates to put them in, because he has to put them in at his own expense, and he fears that if he did so, the government might construct a public building, and he would be out the cost of the hundred boxes. The inspector further goes on to say that the congestion in Trail has been so great that it has been necessary, in order to accommodate the general public, to establish four places throughout the city where the public can purchase stamps. Trail to-day, he

says, has a population of 8,000, and he believes that it will increase in three years to probably 12,000. That is what the post office inspector says, the man who went into this community to make a full investigation of the conditions, and he naturally went to the fountainhead for information; in other words, to the company.

Mr. VENIOT: Will the hon. gentleman give the date of that report?

Mr. ESLING: I cannot give you the date, but I can give you the month. The report was made in December, 1926, only a short time ago. He says that within three years that community will have a population of 12,000. If you were to go to the manager of the Consolidated Mining & Smelting Company, I am sure he would hazard the guess that Trail will have a population of 15,000 souls within the next four or five years. This report from the inspector is in the possession of the Postmaster General and I have no doubt that upon it he based his recommendation to the Minister of Public Works. The government's own inspector recommends the erection of a public building to be proceeded with as soon as possible. He further recommends that this building, instead of containing 1,037 letter boxes should contain 2,100 letter boxes. Surely any hon. member who wants to be fair about this matter will realize that it is a case of urgency, or inadequate accommodation and of necessity. The inspector recommends that instead of 1,200 square feet of floor space as at present, the building should have 3,500 feet of floor space, and in order to avoid congestion, he also urges that there should be two entrances.

There is not another industrial centre in the whole of Canada to equal the city of Trail. In that city, an amount of $1,000,000 is paid each year in taxes and we have not had one dollar spent for public works in thirty years except the $11,000 vote which the minister passed on to his Liberal whip for that site. From my short acquaintance with the present Minister of Public Works I believe he is disposed to be fair. I do not blame him a particle; I put all the responsibility on the minister from British Columbia who apparently has not made the recommendation. I am simply going to leave the matter there and ask for the good offices and fair consideration of the present minister. I will ask him if he will not realize the lack of accommodation in the city of Trail, and endeavour to bring down in the supplementary estimates a vote for the erection of a public building there. At the present time the government are spending $135 a month in rent, $100 for a post office and $35 for a customs house. They might just as well save that money and house the two departments in one building. If the former Minister of Public Works saw the necessity, urgency and rush for getting this post office site purchased from his local Liberal friend before the 29th day of October, the date of the 1925 election, surely the sitting member is justified in asking for a vote for the erection of a public building in Trail.

Mr. KING (Kootenay): I am rather surprised and grieved to find my hon. friend in such an irritable mood to-night. He complains very bitterly of my action as the minister from British Columbia. I think the fact that as the minister knowing conditions in Trail and knowing them as well as my hon. friend does, I purchased the property which he says I purchased from Liberal friends—

Mr. ESLING: From the Liberal whip, I said.

Mr. KING (Kootenay): I am advised that my hon. friend and some of his real estate associates in Trail were anxious to sell a site.

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

Mr. KING (Kootenay): My hon. friend has been talking for about an hour about a post office in Trail—

Mr. ESLING: Will the minister confine himself to the truth.

Mr. KING (Kootenay): I am going to speak for five minutes. The purchase of the property was done through the ordinary channels.

Mr. ESLING: On the minister's order.

Mr. KING (Kootenay): Is it possible for my hon. friend to contain himself? I know he has not got over the fact that the people of Trail did not give him a majority in the last election.

Mr. ESLING: They did. They gave me a majority of fifteen against your friend you brought from five hundred miles away.

Mr. KING (Kootenay): I wish to say this because my hon. friend has gone far out of his way to intimate that I personally purchased property in Trail.

Mr. ESLING: So the minister did.

Mr. KING (Kootenay): My hon. friend will retract that statement, because it is not true. I will wait for him to retract.

Mr. ESLING: I will not say that the minister went there and handed over the money. I will say that he sent his resident architect and told him to see a certain man.

Mr. KING (Kootenay): It is easy for anyone to make insinuations, but this property was bought by the Public Works department in the usual way and any hon. member can easily inform himself upon the procedure that was followed. An officer of the department goes to the town or place where the purchase is to be made; he makes inquiries; he examines different properties.

Mr. ESLING: He did not. He was told to see a certain man and he saw him. He was told to see the Liberal whip and he saw him.

Mr. KING (Kootenay): He inquired as to values of many properties.

Mr. ESLING: He saw just the one man.

Mr. KING (Kootenay): I do not quite appreciate my hon. friend's attitude. I think I am entitled to speak for a few moments.

Mr. ESLING: Well, speak the truth.

Mr. KING (Kootenay): When my hon. friend had the floor I did not interrupt him, and I would ask him to contain himself and suggest that he have papers brought down as they were last year giving the details of that purchase.

Mr. ESLING: I have them under my hand; every one of them.

Mr. KING (Kootenay): If the hon. member will read the report of the engineers, I am sure he will realize that he has been labouring for an hour in vain and has not been representing the true facts or conditions in regard to the matter. I was pleased to have my hon. friend endorse a vote of $5,000 for Kimberley. I can well understand that, because the great Sullivan mine is there. The town of Trail would not be the town it is to-day if the mine at Kimberley was not in operation. There is no doubt that Trail is a fine industrial community, and it is my hope and desire that money will be provided whereby proper government offices will be erected for the advantage of the people of Trail.

Mr. ESLING: It needs them as much as Kensington, Prince Edward Island, does.

Mr. KING (Kootenay): I will ask him if it needs them as much as the people of Prince Rupert do, and I will then ask him to dilate on the purchase of a site in Prince Rupert, giving the date and the price paid for it.

Mr. MANION: The minister might add the Prince Rupert elevator.

[Mr. Esling.]

Mr. KING (Kootenay): It is serving a useful purpose.

Mr. MANION: Returning $100 a year to this government on an investment of $1,500,000.

Mr. KING (Kootenay): I do not wish to continue, because it is not necessary, but I take exception to the desire of my hon. friend to make a speech in this House for the purpose of making a little political capital for himself by attacking me.

Mr. ESLING: I have the very report about which the minister speaks from the resident architect at Victoria. I will leave it to any three members on the other side of the House who know anything about building construction, and I know they will pronounce it the most absurd, ridiculous and unjust report that was ever made on a public building site.

Mr. NEILL: I am not interested in the Trail post office; I am not interested even in a public building at Kimberley, but I am interested in the lack of public buildings in the district of Comox-Alberni. I would like to call the attention of this committee, and more particularly of my Conservative friends, to the fact that this vote comprises the sum of $243,262, and with the exception of the small sum of $5,000 for Kimberley the whole of that sum is for buildings in districts represented by Conservatives. Except, I say, for that little vote of $5,000 for Kimberley, every one of the twelve votes is going to districts of hon. gentlemen opposite, one of whom has made so much complaint of how he and his Conservative friends in British Columbia have been treated. I hope the lesson will be taken to heart by them, and that when I ask the Minister of Public Works for some few niggardly votes for odd wharves later on, hon. gentlemen opposite will remember this vote.

Mr. CLARK: It is pretty hard to find anything but a Conservative out there.

Mr. CASGRAIN: Conditions might be improved, though.

Mr. ROSS (Kingston): How many patients are there at this lazaretto?

Mr. ELLIOTT: Last year there were seven.

Mr. ROSS (Kingston): An increase or a decrease over the previous year?

Mr. ELLIOTT: The same number both years.

Mr. ROSS (Kingston): From what parts do they come?

Mr. ELLIOTT: As far as I recall, one is from Saskatchewan, and four are Chinamen. Fortunately the number of lepers is decreasing at all our stations.

Item agreed to.

British Columbia—Dominion public buildings —improvements, repairs, etc., $40,000.

Mr. BRADY: So much has been said regarding certain places where post offices are to be built that their names have become historic during the last few days. Let me mention another place that has not a post office building—the large, thriving city of Prince Rupert. The postal and other government business is carried on in a rented building costing annually about $4,000. The postal revenue for 1926 was $35,439; the customs and excise, $301,480. Besides these services the Marine and Fisheries department and the government telegraph department have accommodation in the same building. But it is not by any means adequate for the purpose. One of the government's representatives from Victoria visited Prince Rupert while I was there and after going through the building expressed the opinion that it was neither hygienic nor suitable for the amount of business handled. I do not expect that I shall be able to induce the government to promise me a post office to-night, but undoubtedly they should consider the desirability even from the standpoint of economy alone, of erecting a building at Prince Rupert adequate to handle the large volume of government business that has to be transacted there, rather than pay out every year $4,000 in rent for undesirable accommodation. In Smithers, a very promising town, the postal revenue for 1926 was $4,854, and at Ocean Falls, $6,596. I think since other places have had so many successful advocates, Prince Rupert and those I have just mentioned are entitled to favourable consideration from the government.

Item agreed to.

Esquimalt—general repairs and improvements at R.C.N. barracks and H.M.C. dockyards, $20,000.

Mr. ROSS (Kingston): Could the Minister of Public Works tell us how many troops are stationed in Esquimalt?

Mr. ELLIOTT: I regret that I have not the information.

Item agreed to.

William Head quarantine station—repairs and improvements, $8,250.

Mr. FRASER: I would like to ask the Postmaster General if he has had any report in regard to the necessity of a post office building in the town of Prince George?

Mr. VENIOT: From memory I would say not, but there may be an application on file. I will look it up and let my hon. friend know.

Mr. FRASER: I would point out the necessity of recommending to the Minister of Public Works an amount for a public building in the town of Prince George. That town is a very important community in the central part of British Columbia, with a population of about 3,500 people, and last year the postal revenue amounted to $12,412. I notice that in the estimates many places are receiving substantial consideration from this government which have neither the revenue nor the population of Prince George. I asked that this be included in the estimates last year and it was not done; I ask again that in view of the development likely to take place in the course of the next year, consideration be given to this request by the Minister of Public Works and the postal authorities. There is also an inspector of customs at that point, and a very considerable revenue is derived in that way. There is also in my district the town of Salmon Arm, with a population of between 1,200 and 1,500, which produces a postal revenue of about $8,800. In addition to the postal and customs revenue at this point I would point out that there are officials of the Forestry branch of the Interior department stationed in that town, and the rentals paid for office quarters must be very considerable. I suggest that it would be in the interests of the government and would reduce expenditure by a very considerable amount to erect a public building of their own in that town and thereby give the necessary accommodation to the various officials stationed there. There is not an item in the estimates for either of these places, but I am hoping the minister will be good enough to include them when the supplementary estimates are prepared. The Minister of Health (Mr. King) laughs; perhaps he remembers that last year he promised to do this for me, and to give it his very serious consideration. He is still considering, but I hope he will pass along a favourable decision this year.

Item agreed to.

Public Works — Generally — experimental farms—replacements, repairs, improvements, etc., $100,000.

Mr. BRADY: I would like to ask the Minister of Agriculture if it is the intention of the government to give northern British Columbia an experimental farm?

Mr. MOTHERWELL: If it is the intention of the government to give my hon. friend a farm?

Mr. BRADY: No, not to me, to northern British Columbia.

Mr. MOTHERWELL: The estimates of the Department of Agriculture will be up after a while, and I will be able then to give my hon. friend all the information he desires.

Mr. BRADY: This is a very important question for the mixed farming districts of the Buckley valley, Burns lake, Smithers, Telkwa, Francois lake and Ootsa lake. Some years ago this question was before the House and was favourably considered by the present Minister of Agriculture (Mr. Motherwell). I think that it would be a very intelligent method of expenditure, because the result of the establishment of an experimental farm in this particular district would be far reaching. This district is one of the most suitable and best adapted to mixed farming in Canada, and the people of that great district which includes thousands of square miles are engaged in all forms of agricultural industry. They have splendid root crops; they carry on dairying; they have wheat, oats, rye, and timothy, and every other crop which should encourage the government to give these people an experimental farm. The hon. member for Victoria (Mr. Tolmie) some years ago very strongly advocated an experimental farm for this particular part of British Columbia, and I believe the time has now come in this country when the question of mixed farming should receive more careful consideration. We have the great wheat fields of the prairie provinces, but we must consider the other great districts of Canada which are perfectly adapted to mixed farming, and the district to which I refer should have an experimental farm, and the government should assist what is recognized to be a substantitl forward movement in the development of a great industry. When I heard the number of advocates for public buildings I was not enthusiastic, but I do feel that when the question is one of national importance, concerning the well-being of Canada, the voice of these people should be heard and the government should be sympathetic. I trust, Mr. Chairman, that the Minister of Agriculture is of the same mind to-day as he was in 1924.

[Mr. Fraser.]

Mr. ROWE: Would the minister explain on what farms and what buildings this money is to be spent?

Mr. ELLIOTT: This is for replacements, improvements, alterations, repairs and so forth on the various experimental farms and stations throughout the Dominion.

Item agreed to.

Flags for Dominion public buildings, $5,000.

Mr. FRASER: How much was spent for this purpose last year?

Mr. ELLIOTT: I understand it is all spent every year.

Item agreed to.

Military hospitals—repairs and improvements, $70,000.

Mr. ROSS (Kingston): Does this vote include the hospitals under the Department of Soldiers' Civil Re-establishment?

Mr. ELLIOTT: That is my recollection. This amount is required for the following repairs and improvements to various military hospital buildings throughout the Dominion, consisting of Halifax Camp Hill (B unit); Ste. Anne de Bellevue (A unit); Toronto, Christie street hospital (D unit); London Westminster hospital (D unit); Calgary, Colonel Belcher hospital (I unit); Vancouver, Shaughnessy hospital (J unit).

Mr. ROSS (Kingston): They are all under the Department of Soldiers' Civil Re-establishment?

Mr. ELLIOTT: Yes.

Item agreed to.

Public buildings—generally, $4,500.

Mr. BARBER: What buildings are these?

Mr. ELLIOTT: This is an amount for the general care of the buildings throughout the Dominion that cannot be charged to special votes. It is the usual estimate.

Mr. FRASER: Has the minister got covered up in that amount a vote for a public building for Prince George?

Mr. ELLIOTT: No. There is no amount for construction; it is all for repairs.

Mr. FRASER: I thought perhaps the minister wanted to give me a sort of Santa Claus present, so to speak.

Mr. ROSS (Kingston): What is the difference between public buildings under this item and public buildings appearing in the votes for each province?

Mr. ELLIOTT: These are general expenses. This vote is required for the following items of expenditure which have to be met every year in connection with public buildings controlled by the Dominion government together with such special outlays for works, and so forth, that cannot well be charged against any other one in particular of the general appropriations made by parliament for prospective improvements in the several provinces taken separately, namely, travelling expenses, stationery and drawing instruments, printing, telegraphy and miscellaneous.

Item agreed to.

Ottawa public buildings and grounds—departments generally—char service including $100 to E. Snowden for firing the noon gun, $385,000.

Mr. QUINN: Is there any provision in this vote for the increase which has been asked for by the char service?

Mr. ELLIOTT: No.

Item agreed to.

Dominion quarantine stations—maintenance, $15,000.

Mr. QUINN: What is the reason for the increase over the previous year?

Mr. ELLIOTT: Since 1921 this appropriation has been $5,000, and the annual expenditure has varied from one thousand to three thousand. Small maintenance appropriations were also provided for the quarantine stations. This year it was decided to incorporate in this vote all the maintenance items, thereby doing away with a special appropriation. For that purpose this appropriation has been increased from $5,000 to $15,000. The details are as follows:

North Sydney, N.S.	$ 500
Chatham, N.B.	750
St. John, N.B., Partridge island repairs	3,000
St. John, N.B., Partridge island water supply	1,000
Tracadie lazaretto	1,500
Father Point	1,000
Grosse Isle	4,000
Maintenance generally	3,250
Total	$15,000

Item agreed to.

Dominion public buildings—rents, $1,440,000.

Mr. SIMPSON: Is that all for buildings in Ottawa?

Mr. ELLIOTT: I think the amount for Ottawa is $650,000.

Mr. HEAPS: Is it the intention of the government to proceed with the erection of new departmental buildings, and thus reduce the expenditure for rents?

Mr. ELLIOTT: That is in contemplation. It is expected that the first will be commenced this year and that it will take a couple of years to complete. We shall not be relieved of any rental until the new building is habitable.

Mr. MILLAR: Has it been decided what departments will be housed in the new building?

Mr. ELLIOTT: Not yet.

Mr. FRASER: Has the department any complete plan in regard to the buildings contemplated?

Mr. ELLIOTT: We had a plan prepared some time ago, providing for a complete set of departmental buildings sufficient to house the various departments. The scheme is rather extensive.

Mr. FRASER: What is the total cost?

Mr. ELLIOTT: Close to $15,000,000.

Mr. ROSS (Kingston): Does that include public buildings for all departments?

Mr. ELLIOTT: Yes.

Mr. ROSS (Kingston): Have you a detailed statement of the cost by departments?

Mr. ELLIOTT: No, only by provinces. We have 402 buildings rented at a total of $1,440,000.

Mr. ROSS (Kingston): Perhaps we might have that statement.

Mr. ELLIOTT: In London, England, we have an expenditure of $9,733.30; Nova Scotia, $11,010; Prince Edward Island, $811; New Brunswick, $11,922; Quebec, $97,658; Ontario, $168,980; Ottawa, $650,377; Manitoba, $67,059; Saskatchewan, $76,156; Alberta, $143,868; British Columbia, $65,725; Yukon, $660; militia probable requirements, $34.660; militia rents, pending, $10,931; militia colleges and universities, $20,000.

Mr. FRASER: Does that include the rentals of post offices?

Mr. ELLIOTT: Everything.

Mr. SIMPSON: What buildings are rented in London, England? I thought we had acquired a large building there for the use of the high commissioner and other officials.

Mr. ELLIOTT: This is for the ground rental of the Canadian building in London.

Mr. STEVENS: On a ninety-nine year lease?

Mr. ELLIOTT: Yes.

Mr. ROSS (Kingston): Are there any buildings rented in England apart from this, or are all the departments in one building?

Mr. ELLIOTT: The departments are all in one building.

Item agreed to.

Yukon public buildings—rents, repairs, fuel, light, water services and caretakers' salaries, $28,000.

Mr. ROSS (Kingston): We have already been given an item of $660 for Yukon. What does this item include?

Mr. ELLIOTT: This is required for repairs, fuel, lighting, water service, and salary of caretakers in connection with public buildings occupied by government officials in the Yukon Territory during the fiscal year 1927-28.

Mr. ROSS (Kingston): What does the $660 in the other item include?

Mr. ELLIOTT: That $660 comprises $300 for Mayo Landing post office and $360 for Mayo Landing interior. These two items have always been carried under a separate head.

Item agreed to.

Harbours and rivers—Nova Scotia, $296,210.

Mr. SMITH (Cumberland): Will the minister explain the first item of $1,850 for repairs to the dyke at Amherst Point?

Mr. ELLIOTT: This is a dyke in the county of Cumberland. It is proposed to rebuild it on a length of 190 feet. To carry out the proposed repairs, it will be necessary to drive a line of piles along the outer face of the work and lay planking on the inner side of these piles to hold the back filling of the dyke. It is also suggested that anchor piles be driven about ten feet in from the outer face of the dyke and suitable braces placed from these piles to the top of the piles along the outer face, to give stability to the works.

Mr. SMITH (Cumberland): Do I understand that these repairs are to protect the government wharf at Amherst Point?

[Mr. Elliott.]

Mr. ELLIOTT: Yes. The dyke west of the public road at the government wharf is badly in need of repairs and the farmers' body who own the land in this vicinity have asked the department to undertake these repairs.

Mr. SMITH (Cumberland): The wharf itself is in a dilapidated condition. Last year a small sum was spent on it, but I believe it was used largely to dig berths to enable vessels to discharge their cargoes there.

Mr. ELLIOTT: That would be dredging.

Mr. SMITH (Cumberland): Yes; a small amount was spent for that purpose. The wharf itself has been in disuse for a considerable time, but the people are now beginning to make use of it and, temporary repairs having been effected, cargoes have been landed. Representations have been made to me that the flooring on the wharf is not only out of repair but unsafe, and I understand that the board of trade of the town, which is about two miles from the wharf, have asked the department to have the necessary work done so that cargoes may be properly and safely discharged at this point. Has the minister taken these representations into consideration?

Mr. ELLIOTT: The position in regard to wharves is much the same as in regard to public buildings. We have in the Dominion of Canada to-day 2,147 wharves of various kinds. The number was a great surprise to me when I was going over the list with a view to seeing on which ones repairs were most urgently needed. My hon. friend will recall that in the last thirteen years, since the outbreak of the war, there has not been anything like the expenditure on wharves that the people in the various localities thought was necessary, and the result has been that many of them have fallen exactly into the condition that I have no doubt my hon. friend finds this one in. We are trying to make repairs where they are most urgently required, and not to go beyond the amount of money that the government can afford to spend, and we are aiming to make these repairs as far as possible in places where they will encourage production and the distribution of the wealth created in that particular part of the Dominion. I quite agree with my hon. friend that that wharf and many others must be repaired just as soon as funds can be found to do it.

Mr. SMITH (Cumberland): That is all very nice, but these are public services, and from that standpoint alone they should be maintained in order to provide the public with the

accommodation that is required. But leaving that out of consideration for the moment, there is still another viewpoint, and that is the question of what is economy in the long run. If these services are allowed to go into decay, in the end the cost of putting them into proper condition will far exceed any outlay that would have to be made in the interim and the repairs will serve two purposes, namely, save money and provide adequate service. I wish to speak also of other services of a similar character in the county of Cumberland, the same county in which this Amherst Point dyke expenditure is to be made. I would refer the minister to the breakwater and beach protection at a point called Port Greville. A breakwater was constructed there about a couple of years ago, but it was built a considerable distance short of the old one. It was built to protect the harbour and to stop the filling in of the channel of the river on account of tides moving back and forth. Representations have been made to the government to extend this breakwater out to the point where the old one was, in an endeavour to stop the filling in of the channel. It has also been pointed out to me and to the government that the breakwater itself has not been completely constructed, and in order to afford proper harbour protection the breakwater will have to be thoroughly spiled, which is not the case to-day. This is a very important port on the bay of Fundy. Last year there was shipped through it 5,000,000 feet of lumber. There were 31 three and four masted schooners repaired there; 14 large vessels cleared with lumber, there were 8 cargoes of piling, and 16 cargoes of lumber in smaller vessels, also 1,000,000 feet of lumber shipped in scows. In all over 30,000 tons deadweight was shipped out of this harbour last year.

Mr. ELLIOTT: What was the value?

Mr. SMITH (Cumberland): I have not the value in dollars, just the quantities, but it is recognized that this is a most important port.

Mr. ELLIOTT: Is not this a wharf on which considerable expenditure has been made by the government in the last two years?

Mr. SMITH (Cumberland): Yes, considerable expenditures have been made on the breakwater, but nothing on the beach protection.

Mr. ELLIOTT: About $50,000 in the last two years.

Mr. SMITH (Cumberland): I do not think that much; but the work has not been finished. The breakwater to-day is not completed; the beach protection is practically useless, and on account of that fact it is not rendering the service to this port that it should. Last year, or the year before, private interests had to dig the channel out in order to allow their large vessels to enter and clear. I understand also that the citizens of that port have made representations to the government for consideration. Certainly I did myself last year and also this year.

I pass now just as quickly as possible to another point on the bay of Fundy. At Spencer's island there is a wharf which is in a dilapidated condition, and for which no provision is made in the estimates. I have before me a communication from the Public Works department in Halifax, which I presume is a branch of the Public Works department here, stating that they were going to ask that the sum of $2,000 be placed in this year's estimates in order to put this wharf in repair. This is also an important point, but I find nothing in the estimates to provide for this work. The matter is one that should certainly be given some consideration by the minister when the supplementary estimates are brought down.

Then at West Advocate there is a breakwater, and the people there are asking for an extension. This is also a very important port through which a great deal of lumber and other commodities are shipped. I am taking these matters up only very briefly, and am not going into details at all, although I have here very valuable information; but I do not wish to delay the committee. I would ask the minister if there will not be some reconsideration in the supplementary estimates of the amounts allotted for harbours and rivers in Nova Scotia, particularly in Cumberland county at the ports to which I have made reference to-night. I believe that in the end economy will be effected by the immediate repairing of these public works, instead of allowing them to go on for a number of years more without attention, when the cost of repairs will be excessive.

The CHAIRMAN: Is it the desire of the committee to take up this vote item by item? The amounts are comparatively small, and perhaps we could have a general discussion on the resolution.

An hon. MEMBER: Item by item.

Mr. ERNST: I want to point out to the Minister of Public Works that in the supplementary estimates for 1926-27 there were five

items affecting my constituency, as follows: Brooklyn wharf repairs, $1,500; La Have river, dredging, $35,000; Pentz wharf, $4,400; Port Mouton dredging, $55,500; and West Port Joli, breakwater repairs, $3,800. Since the supplementary estimates were brought down not one dollar of that money, so far as I can ascertain, has been expended; in other words the vote will lapse and nothing will have been done by the 31st of March. In the main estimates tabled this year not one of these items has been reinstated, although I note that fifteen other items in the supplementaries for 1926-27 have been carried into the main estimates for the present year. I would like to ask the minister why the five items I have mentioned have been dropped. The whole five of them are in my constituency. None of them has been included and I want to point out further that I have drawn the attention of his department to the fact that the wharf at Tancook is in a bad state of repair; that the breakwater at Blandford is in a bad state of repair; that the wharf at Vogler's cove is in the same condition, and additional dredging is required at Port Mouton. I am going to ask the minister again if he will be kind enough to give these matters his attention and provide for them in the supplementary estimates this year. Every one of them is a service which is urgent and important to the locality.

Mr. QUINN: Just to continue the argument of the hon. member for Queens-Lunenburg (Mr. Ernst), I might also refer to the supplementary estimates of a year ago. As regards the constituency which I have the honour to represent, a year ago we had an item of $1,000 for repairs to a wharf and road at Chezzetcook (Murphy's or Myatt's). Then there was another item of $4,800 for a wharf at Ketch harbour and an item of $3,500 for wharf at Necum Teuch. I notice in the estimates for this year an item for wharf repairs at Musquodoboit, $1,600. I have no criticism of that item whatever; I wish it were a little larger, because Musquodoboit was particularly good to me in 1926. There is an item for dredging at Sheet harbour. That is also absolutely necessary and I do not see how the government can get away from doing the work. There is an item for $1,100 for breakwater repairs and improvements at Devil's island. This is absolutely necessary and I thought the vote would be larger. Devil's island is an island at the mouth of the western entrance of Halifax harbour and on it are situated two very important lighthouses. There is also a life-saving station and there is no telephone connection. A cable can be run across the eastern passage a very short distance and I would ask, not only in the interests of the residents of that island but as a necessary work in connection with the life-saving station, that there should be a telephone connection between that island and the city of Halifax or the town of Dartmouth.

Mr. ELLIOTT: What is the distance?

Mr. QUINN: Not more than a quarter of a mile.

Mr. SHORT: I wish to bring to the attention of the minister some much needed improvements in my constituency. There is the port of Westport in Digby county, one of the most important fishing ports in that county. A breakwater was built some years ago at a cost of $75,000 or $100,000, and to-day it requires an extension of about 50 to 75 feet owing to the fact that it was not properly dredged out by the department and the port cannot be used at low tide. There is a recommendation to the Department of Public Works from the Department of Trade and Commerce stating that this work is urgently required, but there is nothing in the estimates for it. A great deal of dredging is needed at a number of the piers and breakwaters in my constituency. Part of my constituency is a fishing district and perhaps there are more breakwaters in it than in any other constituency in Nova Scotia. I would urge upon the minister the necessity of making improvements to a number of these, including Westport; Battery point; dredging at the Racquette at Digby harbour; Anderson's cove and Litchfield. All of these are very urgently needed in order to give proper facilities for carrying on the fishing industry in those places. I would urge the minister to have his engineers report on these places and to have a sufficient amount placed in the supplementary estimates to carry out this urgently required work.

Mr. ELLIOTT: I know that in regard to some of the places mentioned by my hon. friend, and at least one of the places mentioned by the hon. member for Cumberland, the engineer has been asked to make a report. That does not necessarily mean that an amount will be placed in the estimates this year, but I can assure my hon. friend that the matter of supplementary estimates, which must of course depend upon the amount of money that we have at our disposal, is receiving the greatest possible attention. I am quite satisfied, and I think I should not

withhold the statement from my hon. friends, now that only a small number of the requests made in regard to places throughout the whole country can be acceded to with the money at hand. On account very largely of the fact that there seems to be a revival of optimism and of business prosperity at every harbour in the country, the demands have been much greater in the last year or so than ever before. I recall a number of the places that have been mentioned to-night. There is no question that some of the breakwaters are in quite serious condition. There are several other places where, on account of new developments such as pulp and paper and other industries, it is necessary, if you are to encourage those industries, that something be done. It is wholly a question of making such improvements as our finances will permit and such as are necessary in order to assist the general production and prosperity of the community concerned.

Mr. SHORT: That is a very fair statement if the minister would only carry it out. The fact is that money is not expended where it is most urgently needed. If the minister would carry out the principle that he has laid down, that would be satisfactory to all of us on this side of the House. As regards all the places I have mentioned, the improvements are urgently needed. The government have expended hundreds of thousands of dollars on breakwaters throughout the different counties in Nova Scotia. Why do they not keep them in repair just the same as a private individual keeps his wharves in repair? The trouble is that in certain localities the government allow these wharves to go down, for some reason that is unexplained. That is not good policy, because if you do not make repairs when necessary, if you allow these works to go without repair for another year, you have eventually to spend double the money. The engineers know what is required. It would be satisfactory if the government would carry out their recommendations, but they are not carried out. The money is spent often where it is not needed and places where it is needed have to go without.

There is an item of $2,500 for breakwater repairs at Black Point. Where is that situated in Nova Scotia?

Mr. ELLIOTT: In the constituency of Richmond-West Cape Breton.

Mr. MACDONALD (Richmond): I notice for Black Point the vote is $2,500 and last year it was $1,400. How much of that $1,400 was spent?

Mr. ELLIOTT: $350.

Mr. MACDONALD (Richmond): What was that expended for?

Mr. ELLIOTT: For sealing up the outer end of the work done in 1925-26, and placing ballast in two bays on the seaward side and repairing the sheathing at those bays.

Mr. MACDONALD (Richmond): If the breakwater was repaired in 1925 why this vote for $2,500 now?

Mr. ELLIOTT: Does my hon. friend object to the expenditure?

Mr. MACDONALD (Richmond): No, but I want to see where the money is going.

Mr. ELLIOTT: The vote is for the reconstruction of the outer sixty feet of the breakwater, sixty feet by eighteen by eighteen, with native timber cribwork. This reconstruction started in 1925-26, when seventy-five feet of the 110 feet proposed was built. The work was stopped on account of stormy weather. Twenty-five feet of the outer end was destroyed in the fall of 1925-26 by storms. The estimated cost of the work proposed for 1927-28 is $2,500.

Mr. MACDONALD (Richmond): How much was expended previous to the general election in 1925? I understand the work was stopped in October.

Mr. ELLIOTT: My statement shows the expenditure last year.

Mr. MACDONALD (Richmond): You have no statement of the money expended up to October 1925?

Mr. ELLIOTT: No.

Mr. MACDONALD (Richmond): Apparently it has become necessary to vote $2,500 to repair the part that was left unfinished just a few days after the election. That breakwater was built around 1911 or 1912. The money for it had been voted previous to the 1911 election, for under the patronage system of our friends they always voted money for such projects the year before a general election. A certain amount of money was spent in the district previous to 1911. Before that time some work had been done at the entrance to the Grand river against the best advice of the fishermen in the district. Due to this work and the construction of the breakwater the entrance to the river was closed by shifting sand and fishermen cannot fish in that district. Now we are proposing to spend another $2,500 after having already spent five or six thousand dollars in 1925, on work that has been destroyed, for you cannot hold the breakwater in that position. As I say, the portion of the breakwater still re-

maining is helping to block the entrance to the Grand river, so that to-day we are left practically without a fishing port in that district. I would urge that the department send a competent engineer to survey the locality and ascertain if it is not feasible to keep open the Grand river by a little dredging and the construction of abutments. I understood that the people in the district were to forward a petition to the government asking that this be done. By clearing the channels at the entrance to the Grand river the government would open up one of the finest pulpwood areas left in Cape Breton, an area which is along the river, and which communicates with four large lakes. I would strongly urge that this be done not only for the development of the Grand river as a fishing port but also for the development of the pulp industry in that district.

Mr. ELLIOTT: I have before me the report of the district engineer, Mr. Locke, whom I take to be a competent official. I assume my hon. friend does not suggest that the local engineer is not competent?

Mr. MACDONALD (Richmond): The local engineer in that district is, I understand, a very competent man. In 1925 the people of that district asked the government to inspect this region and report on the feasibility of reopening the Grand river. I think Mr. Locke, if so instructed, would be able to present to the government a very favourable report, and for a little expenditure we would have that district developed to its fullest extent. The government should guard against this $2,500 on the Black Point breakwater being wasted. Black Point is just across the entrance of the Grand river.

I also notice that the item for dredging at Petite de Grat harbour is omitted. What has become of the $30,000 that was voted for this previous to the election in 1925?

Mr. ELLIOTT: My reports cover only the details of the items in the estimates.

Mr. MACDONALD (Richmond): Mr. Chairman, is not the minister aware that $30,000 was voted for the dredging of Petite de Grat harbour in 1925? The work was let to a certain contractor, but after a few weeks the dredging was stopped. It is a very important public work but it has been neglected by this government ever since.

Mr. ELLIOTT: I do not think my hon. friend would expect me to carry information in my head in regard to all these items. I have the file in the office relating to this particular matter and I shall be glad to obtain whatever information there is and give it to my hon. friend.

Mr. MACDONALD (Richmond): I do not expect the minister to carry all the information in his cranium, but I would expect that with his deputy at his beck and call and with all the files of the department available he would have some knowledge at least of such an important contract. I would suggest to the minister that in the supplementary estimates the remaining portion of that $30,000 be included, which will open up that important port and permit the fishing industry to continue. This is probably the only industry the people in that district have; it is a fresh fish industry and these people are about the nearest to the best winter fishing in Nova Scotia. There are some twenty-five or thirty boats fishing out of that port and the haddock winter fishing is very important there. This money was voted in 1925 but work was stopped in October of that year and there has not been a stroke of work done since. I would suggest that the remaining portion of that money be revoted in order to permit work to commence at once. Have contractors who should be able to carry out any contracts they enter into, and if they do not do so it is the business of the government to see that the work is carried on or the contract forfeited.

I would also like to bring to the attention of the minister another matter in connection with the Fourchu district; I notice there is an amount included in the estimates for repairs to beach for the protection of that harbour. These repairs were made in 1925; the work was done under foremen appointed by this government; it was used for patronage purposes, and within two weeks of its completion every dollar's worth of work was washed away. If we are now going to spend more money on this project we should at least see that it is spent properly and that proper materials are used so that it will withstand the weather.

I would also bring to the attention of the minister the question of a life saving station at Scatterie island. I understand that a life saving station was established there some years ago, but during the last few years this government allowed it to be closed; it was stated they would not pay their men a reasonable salary. I do not know what the reason was; it was not that they did not vote right, because up until 1925 Scatterie island always gave a good strong Liberal majority, but in 1926 it did not do so because they felt that they were neglected. They are

some eight or nine miles from the mainland and occupy the most eastern portion of Nova Scotia.

Mr. LAPOINTE: My hon. friend will pardon me, but this matter will come up with the estimates of the Department of Marine and Fisheries.

Mr. MACDONALD (Richmond): The minister allowed a discussion on life saving stations under this very item some time ago and I think it might well be brought up now.

Mr. LAPOINTE: The matter does not come under the Department of Public Works.

Item agreed to.

Progress reported.

On motion of Mr. Lapointe the House adjourned at 11.10 p.m.

Monday, March 14, 1927

The House met at three o'clock.

PRIVATE BILL

FIRST READING

Bill No. 145, to incorporate Thousand Islands International Bridge Corporation.—Mr. Edwards (Ottawa).

BRITISH COLUMBIA CLAIMS

RECONVEYANCE OF LANDS TO THE PROVINCE BY DOMINION

Right Hon. W. L. MACKENZIE KING (Prime Minister): I promised my hon. friend from Victoria, B.C., (Mr. Tolmie) to lay on the table a copy of the order in council appointing Mr. Justice Martin commissioner to inquire into the arguments of the government of the province of British Columbia in support of its claim for the reconveyance to the province by the government of Canada of the lands conveyed by the province to the Dominion. I now table a copy of the order.

SCRIP FRAUDS

CRIMINAL CODE AMENDMENT

Mr. D. M. KENNEDY (Peace River) moved for leave to introduce Bill No. 146, to amend the Criminal Code (scrip frauds).

Some hon. MEMBERS: Explain.

Mr. KENNEDY: This is the same bill that was introduced last year. It aims to strike out sub-paragraph (a) of section 1140 of the Criminal Code. The sub-paragraph which it is desired to strike out limits to three years the time within which action may be commenced for any offence arising out of the allocation of land that was paid for, in whole or in part by scrip, and was granted upon certificates issued to half breeds in connection with the extinguishment of Indian title.

Motion agreed to and bill read the first time.

CIVIL SERVICE

CIVIL SERVICE ACT, 1918, AMENDMENT

Mr. W. A. HALL (South Bruce) moved for leave to introduce Bill No. 147, to amend the Civil Service Act, 1918, respecting appointments.

Mr. MACKENZIE KING: Explain.

Mr. HALL: The object of this bill is to give some discretionary powers to the Civil Service Commission in the matter of appointments, instead of confining them in every case to the appointment of the person whose name stands highest on the eligible list. This list is not always prepared by the commission nor approved by it. May I say that the bill does not propose to repeal a single clause or even a word of the present act; it simply seeks to insert a clause expressing the purposes of the measure.

Motion agreed to and bill read the first time.

CIVIL SERVICE

EXAMINATION FOR POSTAL CLERKS

On the Orders of the Day.

Hon. H. H. STEVENS (Vancouver Centre): I desire to bring to the attention of the government a matter that came to me in the mail. I received a letter to-day—at least it came to my box on Saturday—from the Assistant Postmaster General, indicating that examinations will be held for a certain class of postal clerk, and I desire to draw the attention of the government to one or two matters in connection therewith. The letter reads that:

> Candidates wishing to take this examination must file an application with the Civil Service Commission on or before the fifteenth instant.

Then a little further down it says:

> I would suggest, therefore, that if you know of any candidates who are desirous of entering the postal service you will advise them to file application with the Civil Service Commission at once, signifying their intention of writing at the examination, as this is the only way they can obtain a permanent position.

And then there is a list of the cities where this examination is to be held. First, I bring this fact to the attention of the government: that it would be utterly impossible for a candidate in British Columbia to give notice to the Civil Service Commission by March 15. I received this letter on March 11 and it was

mailed on the same date although it is dated March 7. That is my first point. The second point to which I wish to direct the attention of the government is that the city of Vancouver is the fourth city in Canada, and I suppose that in that city there are approximately a thousand government employees, and yet it is not on this list at all. Now the two things indicate what I have complained of on frequent occasions and that is that as British Columbia is, in mailing distance to and fro, nearly two weeks away from Ottawa, it is almost hopeless for a candidate to get in on this examination. I have asked on previous occasions and would like to reiterate the request to-day that a notice be sent out sufficiently early to give the candidates in distant parts of Canada—British Columbia, Alberta, the maritime provinces—ample time to file their applications. In the second place, I assert that surely a city of the importance of Vancouver should be on the list of places where examinations are to be held.

Hon. P. J. VENIOT (Postmaster General): This is not a matter for the Post Office Department at all. It is a subject which is entirely under the control of the Civil Service Commission. They fix the dates, they inform us, and we send out the notices; but I may add that because Vancouver is not on the list does not say that examinations will not be held in that city. A similar notice was issued by the Civil Service Commission last week for the province of Quebec, and my attention was drawn to the fact that neither the city of Quebec nor the city of Montreal was mentioned there. I took the matter up with the commission, and they informed me that the fact that the cities of Montreal and Quebec were not mentioned in the list did not mean that examinations would not be held there; examinations will be held in those cities at another date to be fixed by them. the same thing applies to the city of Vancouver.

Mr. STEVENS: If the Postmaster General will permit me I should like to say that the names of New Westminster, Prince Rupert and Nanaimo are mentioned with Victoria.

Mr. VENIOT: Vancouver stands in a class by itself.

Mr. STEVENS: I am not complaining of my hon. friend the Postmaster General. What I am complaining of is the short period of time that is allowed.

Mr. VENIOT: I will call the attention of the Civil Service Commission to the fact that they have not given sufficient time in this instance.

[Mr. Stevens.]

TEMPORARY EMPLOYEES

On the Orders of the Day.

Mr. J. A. CLARK (Vancouver-Burrard): Will any legislation be introduced this year for the purpose of making permanent civil servants who are now employed under the Soldier Settlement Board and in some of the other departments, who have served for a period of from seven to nine years, whose case has, I think, been dealt with by order in council in the past with the intention of making them permanent, but as regards whom no legislation has been introduced in parliament?

Right Hon. W. L. MACKENZIE KING (Prime Minister): The matter to which my hon. friend has just referred has received some consideration by the government, but a decision has not yet been reached. The government does not propose at the present session to enlarge the legislative programme any more than is absolutely necessary, but the matter to which my hon. friend refers is an important one and will receive further consideration.

Mr. CLARK: I would like to point out that these men are debarred from taking advantage of the pension to which other civil servants are entitled under present conditions.

PRIVILEGE—MR. EVANS

On the Orders of the Day.

Mr. JOHN EVANS (Rosetown): I wish to contradict a statement in the Saskatoon Daily Star, of Saturday ,March 5, purporting to give an account of the proceedings of the railway committee on March 4. The statement in question reads:

> The bill authorizing the Manitoba and Northwestern Railway to construct a line in central Saskatchewan, was reported by the railways and canals committee of the Commons to-day. The company is owned by the Canadian Pacific Railway and was originally planned to run from Theodore to or near Duval.

The statement to which I take exception is this:

> John Evans, Rosetown, said the proposed construction was not needed. The two main lines already served the territory adequately.

That is an absolute misrepresentation. I never used these words or any others that could be construed into that meaning. The whole thing is an utter falsehood.

IMMIGRATION PUBLICITY

ALLEGED MISLEADING STATEMENTS IN BRITISH NEWSPAPERS

On the Orders of the Day.

Mr. E. J. GARLAND (Bow River): I desire to direct the attention of the administra-

tion to the form of advertising carried by some of the steamship companies in the old country. I have in my hand a copy of the Down Recorder from Downpatrick in Ireland. It contains a long list of steamship companies advertising for men to take passage on their boats at the rate of £2 or roughly $10 per head. In these advertisements they call attention to the fact that they seek a certain number, in some cases running into the thousands, in one case 10,000, in another 14,000, and they promise, as they also do in the Manchester Guardian in England, assured employment at good wages to men with or without experience. Is the government prepared to guarantee to men in this country employment at good wages? Furthermore, would the Minister of Immigration kindly state to the House whether any means are being taken by the government to protect the immigrant who comes in under this kind of advertising?

Hon. ROBERT FORKE (Minister of Immigration and Colonization): I think I explained that rather fully the other day. I do not know whether the hon. member was in the House. No immigrant can come into this country under the assisted passage agreement at the £2 rate unless he has been nominated by someone residing in Canada or by the government and unless employment has been guaranteed and assured. Those people are all nominated to come to some particular place for agricultural employment, and until that is done they cannot take advantage of the £2 assisted passage. It is rather difficult to deal with the advertisements that are sent out by shipping companies. I know they sometimes depict things fairly brightly.

Mr. GARLAND (Bow River): The minister has not quite caught the point. I would like to know if the minister or his department or the government as a whole is taking any steps to see to it that these steamship companies are not making applications for permits until they actually have employment for the intending immigrant.

Mr. FORKE: Steamship companies are not making nominations of intending immigrants. No steamship company is being granted nominations.

Mr. JAMES ARTHURS (Parry Sound): The Minister of Immigration has stated, twice to-day and once before, that these men would be admitted to Canada provided that they were nominated by someone in this country. Has the government taken any steps to ascertain the bona fides of the nominations, because in many cases I am sure these people are acting for other parties.

Mr. FORKE: The department has taken a great deal of care to find out the bona fides of those who have made the nominations.

Mr. ARTHURS: What has been the result?

Mr. FORKE: Oh, well.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Is the government prepared to give residents of Canada opportunities equal to those of people who are brought into this country?

Mr. FORKE: I would say absolutely.

PENSIONS FOR POSTMASTERS

On the Orders of the Day:

Mr. F. P. QUINN (Halifax): I would like to ask the Postmaster General if any provision is made for pensions for postmasters who have been retired from the service, particularly for those who have served as postmasters for ten years and upwards.

Hon. P. J. VENIOT (Postmaster General): If they are retired under the act, there is provision for pensions for them. There is no provision as regards those who are not retired under the act.

PRIVATE BILLS

MONTREAL, OTTAWA AND GEORGIAN BAY CANAL COMPANY

The House resumed from Friday, March 11, consideration of the motion of Mr. Chevrier for the second reading of Bill No. 78, respecting the Montreal, Ottawa and Georgian Bay Canal Company, and the proposed amendment thereto of Mr. Guthrie.

Mr. T. L. CHURCH (Toronto Northwest): Mr. Speaker, the motion before the House is for the second reading of Bill No. 78, respecting the Montreal, Ottawa and Georgian Bay Canal Company, and to this motion the leader of the opposition (Mr. Guthrie) has moved an amendment which will virtually kill the bill. It practically means the six months' hoist. The amendment reads:

> That all the words after the word "that" in the said motion be struck out and the following substituted therefor:
>
> The character and object of this bill involve matters of grave national and provincial importance, and are such as to constitute it a measure of public policy which ought not to be dealt with by any private bill.

When the Red lake bill was before the committee on railways, canals and telegraph lines last session, we were told by the chairman of the committee and by the Railway department of the government that the

House having accepted the principle of the proposed legislation on the second reading of the bill, virtually all the committee had to decide was whether the application, the preamble and the different sections of the bill were within the power of this parliament. On the second reading of a bill the British practice is referred to in Beauchesne's Parliamentary Rules and Forms, page 130, section 511:

The second reading of a bill is that stage when it is proper to enter into a discussion and propose a motion relative to the principle of the measure.

Section 513 states:

It is also competent to a member who desires to place on record any special reasons for not agreeing to the second reading of a bill, to move as an amendment to the question, a resolution declaratory of some principle adverse to, or differing from, the principles, policy, or provisions of the bill, or expressing opinions as to any circumstances connected with its introduction, or prosecution; or otherwise opposed to its progress; or seeking further information in relation to the bill by committees, commissioners, the production of papers or other evidence or the opinion of judges.

Therefore, under the rules of this House and the British practice the proper place to discuss the question of the principle of a bill is on the second reading. The following is stated in the 13th edition of May's Parliamentary Procedure at page 709. The leader of the opposition quoted this the other evening in his address:

The second reading of a private bill, corresponds with the same stage in other bills, and in agreeing to it the House affirms the general principle, or expediency, of the measure.

This is one of the most important bills ever brought before parliament. It involves the whole future of the power rights of this province. The granting of this charter would hand over to the Sifton interests the whole industrial future, not only of the Ottawa valley, but of new Ontario. This is not a private bill, Mr. Speaker. If ever there was a public bill to graft the public resources of this country from the people, it is this particular iniquitous Sifton bill. Talk of the Chicago diversion of water being a steal, as some newspapers do; why, that is simply a small affair compared with this gigantic grab bill, to steal the water-powers of the Ottawa valley and northern Ontario. From the western boundary of Quebec right up to the Nipigon river all the water-powers have been grabbed by private interests, and nobody knows what rates they are charging for domestic power. The Ottawa valley is rich in lumber, water-powers and mines, but all these great resources have been handed over to private capital and private greed and the whole industrial life of the Ottawa valley has been stagnant for a great many years because of the hand-out of these magnificent resources, the natural heritage of the Ottawa valley, to American millionaires.

The other evening some Toronto men could find no sleeping accommodation in Ottawa. I would suggest that they utilize the front benches across the way. We have had sleepers there on the six or seven occasions on which this bill has been before the House. What is the policy of the government in regard to this bill? Can the Minister of Railways (Mr. Dunning) tell me what it is? Can the Prime Minister (Mr. Mackenzie King) tell me what it is? The Sifton interests are down here trying to claim all these magnificent resources, and this House would like to know what the policy of the government is. This is not a private bill; by no stretch of the imagination can it be called a private bill. It seeks to give away a whole kingdom of resources to private greed. Would you call that a private bill? I say no.

The amendment that has been moved by the leader of the opposition is quite in accordance with the rules of the House. The leader of the opposition is friendly towards the public-owned light and power system in the province of Ontario, and a vote for his amendment will be a vote against the attitude of simply standing idly by while the resources of this country are being plundered and handed over to private interests. I submit that the principle involved in this bill raises the largest question of public policy which this parliament will have to discuss probably during its life, and yet this bill is being made a political football.

This charter was first granted in the days of Queen Victoria. It survived through the reigns of three sovereigns, Queen Victoria, King Edward and King George. It has survived under nine prime ministers, and has been before nine different parliaments since 1894. We did not hear much about it, though, until a few years ago, and everybody thought that the bill had been decently buried, after the fashion of the Newmarket canal in the constituency which the Prime Minister represented a few years ago. I have in my hand, Mr. Speaker, a list of the statutes, fourteen in all, which have been passed by this House respecting this particular franchise. The first one was in 1894, and a large body of the rank and file of the Liberal party in the city of Ottawa, are named as the incorporators. There are ninety-nine of them, just about as many as in the committee of one hundred. After a while, eighty-five of them thought they had better drop out, and

then fourteen remained. They went from strength to strength; they found every successive railway committee easier than the last, and what has the result been? The whole Ottawa valley has been stagnant commercially and industrially. Why? Because of the absence of cheap light and power, because of the absence of direct current, because of the giving away to political favourites of the magnificent heritage of this territory.

The situation in the Ottawa valley reminds me of the situation in the province of Nova Scotia where, during thirty-four years of Liberal rule, all the great natural resources of that magnificent province, its timber wealth, its mines and its water-powers were given away to private greed. The Liberals gave away the resources of that province just like Santa Claus handing out presents from a Christmas tree, with the result that the maritime provinces got into such a condition that a royal commission had to be appointed, and we now have the Duncan report before us recommending subsidies and subventions to help make up to the province what they lost by this continual hand-out of its resources.

The time to kill this bill is here and now. A few years ago it might have been called simply an obnoxious bill; but to-day, in view of the $104,000,000 that has been spent on the deepening of the Welland canal and the hundreds of millions invested in the National Railways—in view of the proposed improvements to the St. Lawrence waterway, in view of the several routes our western provinces now have to the seaboard, in view of the changed conditions and the opening of the Panama canal, this bill is not simply obnoxious; it is a scandal. I do not think I can do better than quote from an editorial in last Saturday's Toronto Globe, pleading with the government of the day to come forward and declare what their policy is regarding this particular bill. It says:

> There is practically unanimity of opinion in this province, judging from the expressions of newspapers, on the charter of the Montreal, Ottawa and Georgian Bay Company. The press —Liberal, Conservative and Independent— evidently believes that the bill which is designed to renew the franchise of this corporation should be killed. It is not a question of politics, but of business—of public business—whether a large provincial asset should be handed over to a private body for development and exploitation at public expense.
>
> This opinion has also been expressed in a resolution adopted unanimously by the Ontario legislature and presented and read by the Speaker in the House of Commons.
>
> No doubt remains as to Ontario's attitude, and there should be no doubt as to its reception at Ottawa. The policy of this Province in power development is established. The fact that more and more power is needed for public service is well known, and Ontario has more than 50 per cent interest in the water rights which the bill before parliament proposes to give away. It shares with Quebec the power rights of the Ottawa, but from Mattawa west the territory involved is wholly within this province. Therefore Ontario's view should be fully respected in the Federal parliament.
>
> But there is a moral responsibility which transcends the constitutional right. Why should the federal parliament for a moment consider turning over to private interests public property with a potential value of hundreds of millions of dollars? On the face of it, it would be a clear gift of perpetually increasing financial importance—giving away the last remaining natural resource, and one of which the people are in most urgent need.
>
> The amazing thing is that the federal government sits idly by and permits this bill to take up the time of the House, to go through debating periods and to go to a committee for consideration. What is there to consider? Whether the people should be robbed of a large part of their heritage or not? Can there be two answers to the question?
>
> True, as the Globe has said, this is a private bill, and the government is not technically obliged to commit itself for or against. But is the government responsible to the voters and to its conscience only for its own measures?
>
> If vicious legislation is passed in the House it will be with the aid of the government votes. This is vicious legislation. The government has a clear majority, an authority handed to it by the electors in order that it might be responsible for the laws enacted. There will be no way of evading responsibility if, through disinterestedness, or, worse still, government connivance, the Georgian bay bill is passed and this long-standing charter is renewed.
>
> A lot of water has passed down the Ottawa since this franchise was first granted. The proposed canal looked more like a public convenience and public necessity than it does to-day. But the reverse is emphatically the case with regard to water-power. The wording of the charter—at no time safeguarding the public —has taken on new significance in a generation. And the point of view of the public has changed accordingly—at least in Ontario. The government cannot afford to ignore this. It should have thrown its weight against the bill at the start, and it should not allow more time to be wasted on legislation which is wrong in principle and in purpose.

After referring to the number of letters which they had received relating to this matter they go on to say:

> Perhaps it may be well once again to make the position of the Globe clear. It takes no orders from would-be party managers, "practical" politicians or profit-seeking promoters. Its liberalism is of the old-fashioned, independent George Brown school, which seems sometimes to be getting out of date at Ottawa. It still deems it the duty of a national newspaper to support those policies which it believes are in the public interest, and to fight, if necessary, for those principles which it is con-

vinced should dominate in the consideration of public affairs. It still subscribes to the apparently antiquated theory that the natural resources of the country are the heritage of all the citizens. And it still regards the welfare of the whole people as more important than the avaricious ambitions of a few.

I think it is time that the Prime Minister rose and told the House what the policy of the government is regarding this particular hand-out bill. As the measure comes before this honourable House it would appear that the Ottawa valley and the fulness thereof, including the water-powers and all that dwell therein, belong to the Siftons. When you give away the water-powers of the Ottawa district you give away the keys of the Ottawa valley and the keys of the district along the Quebec boundary up to the Nipigon river. Why should the people give to private interests a great heritage such as this, which will produce immense wealth in the near future to those who will have control of it? Why should they hand over these privileges to private greed and gain? This province has received great benefits by having public ownership, and why should we allow our profitable resources to be taken away from us in the future?

The Dominion government has jurisdiction only over navigation. I raised this point on the debate on the 7th of April last, when dealing with the rights of the provinces in their fields of activity under the British North America Act. Sections 91 and 92 of the British North America Act deal with this subject. The matter came up in debate on a resolution I introduced in the House on the 7th of April last regarding the water-powers at Morrisburg on the St. Lawrence. Hon. members will find on page 2192 of Hansard that the Minister of the Interior (Mr. Stewart) admitted my contention. I described the field of activity as between the province and the Dominion with reference to jurisdiction of the province over the water-powers and the jurisdiction of the Dominion over navigable streams. The jurisdiction of the Dominion government is defined in the act which gives to the Dominion the control of the navigable streams so far as navigation is concerned, and to the province the right in regard to the water-powers. The Minister of the Interior admitted that my point of law was well taken and accurately set out as described in Hansard. If that is so, this particular bill should be ruled out on these two grounds.

I doubt if the government has the power to pass the power clauses of this bill. This particular measure is ninety-nine and nine-tenths per cent a power proposition and one-tenth of one per cent a canal proposition. It is as great a joke as the construction of the Newmarket canal was. It is a great pity that Gilbert and Sullivan are not alive to-day so that they could write a comic opera dealing with the Ottawa valley, this canal, the Siftons and the hand-outs of these great power rights; if we had all the facts brought out to-day the people of the province would know who was behind this particular piece of legislation. The gentlemen who are behind it seem to be of opinion that the water-powers of the Ottawa valley have been placed where they are by providence for the purpose of making millionaires out of Sir Clifford Sifton and his dependents and inheritors. That seems to be their feeling—that the Ottawa valley is not for the people of the province of Quebec and the province of Ontario, but is a hand-out for these particular favorites. Mussolini would make short work of the Siftons and their issues, and would soon abolish this noxious piece of legislation. We have nothing in Canada like this knight who would grab the water-powers of the Ottawa valley. The wealth of this great country is for the people. As Mussolini has said "a country does not belong to those who inhabit it to-day. It is an inheritance from the past, a possession for the present, and a trust for the future." That is the manner in which it was regarded by Sir Adam Beck. He treated the water-powers and the resources of the province as a sacred trust along the lines of the philosophy of that great man Mussolini. Here we have an attempt to have reissued a thirty-three year old charter, and here we have a chance for the representatives in parliament to do something, and to tell us on which side of the question they stand, whether they stand for public rights, or for private rights and private plunder. It has got to be one thing or the other. We cannot blow hot and cold on this bill. We must take our stand on the second reading.

Sir Adam Beck said that private monopoly of our public utilities would never make Ontario great and prosperous. His words still hold true. On this piece of legislation the stand of the Conservative party in this House is "No surrender!" I hope that will also be the stand of the Progressive party and of many members of the Liberal party. I do not see the Minister of Customs (Mr. Euler) or the Minister of Trade and Commerce (Mr. Malcolm) in the House. They represent two of the greatest hydro counties in Ontario. Where do they stand on this bill? I hope before the vote is taken they will tell the people of Ontario whether or not they ap-

prove of the principle of handing over to a private monopoly the canal and power rights on the Ottawa river. The continued development of Ontario's power resources under public ownership will make the province wealthy. The power rights on the Ottawa river belong to Ontario and Quebec and they should not be handed over to a lot of hungry millionaires who wish to put through this honourable House their get-rich-quick scheme by securing control of the immense power rights on the Ottawa river under the guise of promising to construct a canal.

It is a very simple matter to dissect this bill and get down to its basic principles. In the first place, if it is practicable to construct the proposed canal the undertaking should not be passed over to these promoters to be exploited for private gain; it should be built by the people in the same way as we dealt with the St. Lawrence canal, the Welland canal, the Trent canal—and the Newmarket canal of blessed memory! Consequently, as a canal feature, all the Dominion is concerned about is that navigation be not interfered with by any power projects that may be undertaken by Ontario and Quebec. But as for navigation, there is very little apparent on the canal that now passes by the Chateau —only a load of sand goes through now and again. As a matter of fact, however, the canal project is being used by Sir Clifford Sifton and others purely as a smoke screen—to divert our attention from their acquisition of the million horse-power which the renewal of this charter would enable them to develop for exportation to the United States. That is what I may term the incidental feature of the bill. But the power rights on the Ottawa river are outside the jurisdiction of this parliament altogether and vest entirely in the provinces of Ontario and Quebec.

This bill should never be allowed to go to the railway committee. This is the proper place to kill it. At the present time, due to shortage of power, eastern Ontario is suffering greater economic ills than any other part of the province, and before many months pass we may find it necessary to have something along the lines of the Duncan report applied to Ontario. For instance, the streets of this city are the worst kept in winter that you will find in any centre of the same size throughout the Dominion. This part of the province has been away behind the times in linking up with the cheap light and power movement that has done so much for the Peterborough district, the Niagara district, and the district of western Ontario. In that territory you will see the tremendous growth, industrially and otherwise, that has followed the boon of cheap light and power under public control. Unfortunately for eastern Ontario the people did not have confidence in the hydro-electric movement and tied themselves up to private ownership, with the result that they are being exploited to-day by private monopoly and are suffering severely for their mistake.

What happened in new Ontario along these lines? The hon. member for Portage la Prairie (Mr. McPherson) last week blamed the Hydro Electric Commission for the condition of affairs in that territory where the Abitibi company has a monopolistic control. But the hon. gentleman is entirely mistaken. The people of northern Ontario are suffering for their lack of faith in Sir Adam Beck, who was anxious to give them the benefits of cheap light and power under public ownership. I was delighted to hear the hon. member for West Calgary (Mr. Bennett) proclaim in this House that the only means of safeguarding Canada and preserving our unity with the British Empire was the adoption of a strong national policy. What Sir Adam Beck did provincially could and should be developed along national lines. As I said before, from the Quebec boundary west to Nipigon, including the new Ontario district, all the water-powers, pulp limits and mines have passed into the control of American millionaires. Had Sir Adam Beck been allowed to electrify the Temiskaming and Northern Ontario railway as he proposed, all the country referred to by the hon. member for Portage la Prairie would to-day be enjoying the benefits that always result from the public ownership and operation of our great natural resources, and instead of only 30,000 there would be a population of 300,000, and the mineral development would have been increased proportionately, with no unemployment problem. That is what public ownership would have done for that particular territory. Thus Sir Clifford Sifton and his associates now want to deprive the eastern part of Ontario and the Ottawa valley of the benefits of cheap light and power.

I oppose the principle of this bill, Mr. Speaker, on the ground of public policy. If the proposed canal is to be built the government should build it. As for the power rights, they belong to the two provinces, subject only to the right of navigation vested in the Dominion. This charter was first granted thirty-three years ago, it has been renewed from time to time, and being now down and out it should not be again revived. In a word, the promoters should no longer be allowed to play

with the franchise. This should not be a party question at all. Rightly viewed it is purely an economic and a patriotic question. Therefore I appeal to the members of the cabinet to make the action of this House unanimous, in the same way as Premier Ferguson, Mr. Sinclair, and Mr. Raney did in the Ontario House. These promoters are so many hungry adventurers. The time has come for this House and the government to lay down a Canadian hydro-electric policy suited to the whole Dominion. Canada can not get along without such a policy, and we should have had it long ago in order that this great heritage might be preserved for the benefit of the nation.

The industrial future of this country depends almost entirely upon a sound policy in regard to its water-powers. The complete collapse of government in Canada was never better illustrated than it has been in the manner in which this charter has been dealt with in this House. The government has failed to deal with this problem, and the scheme now before parliament is ninety per cent a power proposition, and not one for the construction of a canal. Sir Clifford Sifton and those associated with him have been haunting these legislative halls for years now and they have done nothing in the way of canal construction. All they have done has been to hold the territory in the Ottawa valley to the exclusion of everybody else. They refused to allow Sir Adam Beck to enter it on the ground that it was their special prerogative. The Ottawa valley was their camping ground. Last year it was the Red lake grab; this session it is the Ottawa valley. It is time for every member of the House of Commons who has the interests of the country at heart to protest against handing over to a private concern such as this the rights of the people at large. The question is, have we or have we not government of the people, by the people and for the people, or government for the Siftons and their dependents?

In view of the way in which these people have disregarded their obligations under this charter, which has been renewed so many times, and having regard to what the hydro-electric has done for Ottawa, I am surprised that any member representing this city should introduce so objectionable a piece of legislation as the bill now before us, the result of which would be to jeopardize the vast investment of the people of this province amounting to some $250,000,000, in the hydro-electric, which has supplied light and power on such very low terms. I know something of the Ottawa valley and of the politicians

of both parties, and I can understand why they want to keep the hydro-electric movement out of this territory. I have not the slightest doubt that Sir Clifford Sifton has the support of the government in this matter, for when the Prime Minister (Mr. Mackenzie King) was in Atlantic City he was met by Sir Clifford; and in view of the silence of the government it is to be presumed that an understanding has been arrived at. If the government has not given its promise to Sir Clifford Sifton to lend him support in getting this legislation put through the House, I am prepared to give way now to any member of the administration to get up and say so. Let somebody on the government side stand up and declare the government's policy in regard to this question. Is it the intention of government supporters to stand by the principle of public ownership of these water-powers, or have they decided, in consequence of some favour shown by Sir Clifford Sifton to the party opposite, to surrender this heritage to a private concern for its own advantage? I trust that before the day is far spent the government will come forward and tell the House just what its policy is.

This bill not only interferes with federal rights; it encroaches upon provincial and municipal ground. It is subversive of these rights. This is the most reactionary measure ever submitted to parliament, and if it is allowed to go through this House it will prove pretty costly to the people. These promoters have been engaged in nothing else except promotion; they have not the slightest intention of ever constructing a canal. If this charter were extended five hundred years the canal would not be built. The canal is nothing but a myth; it is a huge joke. Why, they might as well ask this parliament to pass a measure to facilitate the transportation of the grain crop of western Canada by an air route as to expect to have anything done by Sir Clifford Sifton and his associates in the way of constructing this canal. The whole scheme is one for the exploitation of the water-power resources of the province; that is all it is. And eastern Canada is made the goat. Eastern Canada, I say, is the goat in this matter and will continue to be the goat so long as we have sitting opposite hon. gentlemen who are not only ready to promote bills of this sort but to give them their earnest support. The promoters of this scheme have treated this parliament with contempt. They have disregarded their solemn contract in every one of the fourteen charters which they have been given. They have treated these charters as mere scraps of paper; they are nothing but hungry political adventurers who are

ready to seize upon the water-powers of the province which are the property of the people. Where are Sir Adam Beck's friends to-day? He has been dead only a short while and where are his friends now? Every member of the legislature of Ontario is opposed to the extension of this charter, but where in this House is the hon. member for North Waterloo (Mr. Euler)? Where is the hon. member for North Bruce (Mr. Malcolm)? Both these gentlemen are members of the cabinet, and what have they to say in defence of the interests of the province which they represent? And where are the members of the United Farmers of Ontario to-day? Where does the Liberal party in the province stand on this question, and what is the policy of the Prime Minister of the country? I say, Mr. Speaker, without any hesitation whatever, that when the time comes and a showdown is demanded it will be found that this government has been lined up, as it always has been, behind the Sifton interests.

Why should this parliament be concerned about Sir Clifford Sifton and his interests? What has Sir Clifford Sifton ever done for the country? Sir Clifford Sifton has never built anything except a title for himself. That is the only thing he has ever built up—that is the extent of his constructive ability: he has been able to accumulate a sword and spurs and epaulets and so forth. That is the sum total of his constructive genius. He was at the head of the Conservation commission which spent hundreds upon hundreds of thousands of dollars of the taxpayers' money, and what did he do? When a resolution was introduced into this parliament for the purpose of establishing a national coal supply policy he indulged in a good deal of talk about a national coal supply for the people; that was his slogan, while at the same time he was masquerading in the old country, endeavouring to interest the financiers there in his own schemes. In view of the success which Sir Adam Beck has made of the hydro-electric in Ontario Sir Clifford Sifton was anxious to grab this million horse-power for himself and his friends, and then he went over to the United States and England where he tried to get financial backing. It does not seem to concern him whether the resources of this province are exploited by foreign money and the profits taken to enrich outsiders. Ontario's great adventure in public ownership will succeed; there is not the slightest doubt about that. It is the duty of members of this House to see to it that no private concern such as this shall be allowed to develop the water-powers of the province of Ontario which belong to the people.

I very much regret the fact that there is another bill to come before parliament of a most obnoxious character, a bill equally as undesirable as this. I refer to the Gatineau bill, which I oppose on the same grounds as I do this. I suppose the Gatineau contract will be commended by some politicians, but for my own part I am absolutely opposed to it. Sir Adam Beck was not more than a week in his grave when the Toronto Financial Post declared war on the hydro in these words:

> Beck died at the height of a public ownership movement that swept him into the position of power and mastery that no other man in Canada has held. The hydro will likely disintegrate as a single institution into a number of smaller corporations, some publicly, and in time, many privately owned, but all linked in a super-power chain.

The process has already begun. The first step in that process is the Gatineau power contract. When I mention the Gatineau power contract I do not wish to be imputing blame to Sir Adam Beck's successor or to his colleagues on the Hydro Electric Power Commission. These men—C. A. Magrath, C. Alfred Maguire and Hon. R. J. Cooke—are the victims of circumstances, and are not to blame. When the time comes I will deal with the authors of these circumstances. We will show where the responsibility lies, because for the past fifteen years every time Adam Beck tried to get into the Ottawa valley and eastern Ontario to establish a power development he was beaten back by Sir Wilfrid Laurier, Hon. Geo. P. Graham and the present Liberal leaders when the Liberals were in power and by Hon. Frank Cochrane, and Sir Robert Borden when the Conservatives were in power. Adam Beck was left to fight alone for a public power development in eastern Ontario without any help from the Ontario legislature. As to Colonel MacLean of the Financial Post, I have the utmost respect for that gentleman. He knows more about the situation in the Ottawa valley and the objects of the Sifton bill than anybody else I know of. He has fought Adam Beck and his Ontario power policies in season and out of season.

He made the Toronto Financial Post in the weekly press of Canada all that the Toronto Mail and Empire and the Toronto Daily Star have proved themselves to be in the anti-hydro daily press of Canada. But it is to the credit of Colonel John Bayne MacLean that the Financial Post never hounded Adam Beck as the Toronto Star and the Mail and Empire hounded him to the grave with their

own despicable eight-column headlines over the slanderous ravings of an ingrate private secretary. I could wish when Sir Adam Beck's successor is being shown honours by the university of Toronto that that institution had recognized its greatest friend, the man who did more than any dozen men in Canada to provide careers for the graduates of the School of Practical Science. I sometimes wish that the university had recognized Adam Beck when he was alive, and cheered his heart with some recognition of his valuable work.

I heard it said that Adam Beck made enemies. A man who stands up against such plunder as that contemplated by this bill and tries to promote the public interest will make enemies. I do hope Adam Beck's successor will follow so closely in Adam Beck's footsteps that he will make some of the enemies Adam Beck made. If he continues the work Adam Beck began we will applaud him, and he will get applause from the common people.

Where does the Liberal party stand in connection with this particular matter? What is parliament for? Does it exist for the purpose of making Canada a land of milk and honey for the Siftons and their successors? It was said in the newspapers that Sir Clifford Sifton's sons supported the Mackenzie King government in the late election. That is true and one of them ran as a Liberal candidate in the constituency of North York. In return for their services they may or may not have obtained some promises from the Liberal party; as to that time will tell. Is the country obligated to make a millionaire out of Sir Clifford Sifton because of what he has done for the Liberal party? I should like to find out where the Liberal party stands in this particular transaction. When the Grand Trunk Pacific bill was introduced and pressed forward one of the cries raised in connection with it was that "Cox can't wait". In the case of the present project we have a repetition of that cry only the central figure has been changed. It is not the late Senator Cox but Sir Clifford Sifton that can't wait. However, he will have to wait a long time before he gets this bill through; he will have to wait until doomsday. It is going to be talked out on many occasions. Our policy on this side is "no surrender." These important water-powers, involving the development of a million horse-power are not going to be surrendered to the Siftons who are in alliance with great financial interests in the United States with only a smoke screen between them. The Ottawa valley is rich in timber, minerals and water-powers. Even Solomon in all his glory will not be arrayed like unto the Siftons —if they could secure the control of these great resources. Can you not imagine Sir Clifford Sifton, if this bill were to succeed, ascending to some elevated point and saying: Behold my kingdom and my vast possessions? If the bill is allowed to pass I predict that the rates for commercial and domestic lighting will be three times what they ought to be. The policy adopted by the Conservative government of Ontario under the late Sir James Whitney was that these water-powers belonged to the state and not to private individuals. They should be developed for the benefit of the farmer and the toiler in the factory and the intention was by means of this policy to build up a united province in Ontario.

Sir Henry Thornton refused to intervene on behalf of the public when it was proposed to alienate the Red lake district. What is he doing to-day in connection with this particular matter? What is the policy of the government and what is the policy of the board of management of the National railway? Nobody seems to know what their policy is. We do know however that when a radial railway by-law in the interest of Toronto and several counties of Ontario was being voted on, Sir Henry Thornton intervened as an opponent of public ownership.

These counties wanted cheap light and power and radials for the Niagara district. They wanted a transportation system as well. Sir Henry Thornton sent a telegram to destroy that particular work under public ownership. When he comes down to the Ottawa valley, he is prepared to surrender the valley all through new Ontario and the Mattawa river, for what? For private greed and gain, and he does not utter a whisper against this particular piece of legislation. He was the same person who surrendered half of the Port Colborne district to the Canadian Pacific. The more I think of all these hand-outs to American millionaires, the more I survey this particular bill No. 78, the more I think it is a good thing that Labrador was handed over to Newfoundland. It is a good thing that Canada did not get it, because we might have given it away to the Siftons or American millionaires. It will now be developed for the good of the people of the British Empire and not for the welfare of a number of millionaires who come over here and enlist the sympathy of the Liberal party. I am opposed to this bill on grounds of public policy. The proposed bill and every part and parcel of it is nothing but a screen to hand over this whole valley to

the super-power trusts of the United States. The canal is only a back-door scheme that will blind nobody, a smoke screen, as I say, to prevent the consideration of the true merits of the bill.

We were told the other night by one or two hon. gentlemen opposite: Oh, we will not pass this bill in this particular form; we will amend it when it comes to the committee, giving the railway commission power to regulate rates. Did hon. members ever hear of the railway commission regulating anything? I will give an illustration of what they do, because it is only by comparison that we can get at the merits of the case. What were we told by two or three members from Saskatchewan, which pays about one per cent of the taxes of Canada? They do not care in that province who pays the taxes. They are protectionists when it comes to their own interests, but free traders when they come to do anything to aid the industrial provinces. Where do they stand to-day? They are supporting the Sifton interests and attacking public ownership. They would like to see the water-powers, the resources of this country owned and controlled by private interests, handed over to American millionaires. The Liberal party have ceded more territory to American millionaires than was ceded by King George III one hundred and fifty or so years ago. They say, let us pass the second reading and when the bill goes to committee we will amend it with reference to the water-powers, putting them under public control, which is a myth.

Let me give the House an example of the way in which the railway commission regulates matters. An application was made for an increase in telephone rates and the application was based on removal of discrimination. What did the government do? The railway commission granted the increase, but they left the government out of it. The government recently made a contract by which they do not pay the increase at all. The increase which the government should pay is thus passed on to the private consumers of the telephone service. The same condition obtains in the case with the National railways. A million dollars was spent in extensions at Montreal for the benefit of the Canadian National Railways, but they pay no increase at all. This increase is saddled on to the poor ratepayers of Ontario and Quebec and the government sponge on the working classes to pay their bills.

Ontario has suffered more economic ills than any other province since confederation, and the time has come for Ontario to have a Duncan report. No village council would listen to this bill for five minutes and suffer such arguments as we have heard around this House regarding this particular piece of legislation. The railway commission will do nothing; it has done nothing to regulate freight rates, passenger rates, telegraph rates, express rates, except to surrender the territory to the applicants. If branch lines, which are so dear to the hearts of hon. gentlemen who come from Saskatchewan, were built, according to the law of supply and demand, there would be no branch lines built, not even the Hudson Bay railway; but when it comes to a matter of handing over a million horse-power to private interests, the private interests get it.

If this is a political bill for the purpose of paying a political debt to the gentlemen who are promoting it, it is the duty of the government to say so. I have nothing but the utmost respect for Sir Clifford Sifton and Sir Herbert Holt. I do not blame them at all for what they propose. If governments are so easy that they are going to hand over all these resources, I do not blame Sir Clifford Sifton and the people with him being smart and clever enough to get this particular bill before the House and the country. I have always been a supporter of public ownership and as long as I have been a member of this House I have stood for that principle. It was stated in this House by inference the other night that the applicants were prepared to drop the bill, provided the government would reimburse what had been spent, say several millions, for the goodwill and what they call vested rights, because no canal has been built. If that is so, I hope the government will say so. It is said also that the Holt interests and the Sifton interests are identical. Well, they all look alike to me, because they are all trying to grab something for themselves and private ownership. The difference between the one and the other is the difference between Tweedledum and Tweedledee.

It was said in this House by hon. gentlemen opposite and also during the elections of 1925 and 1926 by the Prime Minister in North York, that those who sit on this side of the House were the party of the big interests; that the Conservative party in this House were linked up with the big interests. I speak for myself, and I believe I speak for those who sit on this side of the House when I say that we oppose this bill on principle because we stand for the principle of the public control of the water-powers and other resources of this country, and we serve no big interests. Some of us suffered in the battle against the big interests in this country on former occasions, and we are prepared to

suffer again in standing for the principle for which we have fought so long. This particular bill will soon show where the Liberal party stands in regard to the matter and what alliance, if any, they have with the big interests. It will show whether the government serves and continues to serve those interests which they charge hon. gentlemen on this side of the House with serving.

I have served the hydro-movement since its inception in 1901. I was an officer of the hydro-municipalities and president of the Ontario Municipal Electric Association. I was Sir Adam Beck's first lieutenant in Ontario for several years and I stand by these principles party or no party. Unplaced, unpensioned, no man's heir or slave. I neither look for nor care for honour or the patronizing approval of any party as far as this obnoxious piece of legislation goes. There is only one consolation for a public man, and that is the approval of his own conscience, a sense of duty done. All I am here for is to do my duty to my constituents and to the 278 hydro-municipalities of Ontario who have invested $262,000,000 for the purpose of conserving for the people of that province the boon of cheap light and power. I serve them and nobody else. I will not knowingly and conscientiously offend any man either by word or deed, but I will stand by the principles of public rights as I see them, which I have supported for twenty-five years in the province of Ontario. But if I am placed in the position of having to defend these principles and must speak, I will speak what I at heart believe to be the truth, moderately, kindly, temperately, but yet plainly, and will call a spade a spade, as I have done here this afternoon. Whatever my lot or fortune for the balance of my life may be and whether I may be a member of this parliament again or not, I will labour on for the promotion of the principles of public ownership and control and for the advancement of those principles for which my late beloved leader, Sir Adam Beck, and Sir James Whitney lived and died. For those principles of public ownership and public control of the resources of this country, and for the advancement of those principles which are to-day accepted by the people of Ontario as an axiom, I will labour to serve the truest and best interests of the Conservative party as I see them. But while I wear the party uniform, I will never wear its plush. I will take my position among the rank and file, however humble it may be, but it will be as a volunteer, and not as a "flunkey."

Sir Adam Beck, being dead, yet speaketh to the people of Ontario, and of Canada and the British Empire, on this power question of the Ottawa valley, as he did from 1915 on to 1918, and again in 1921, when we were here opposing this bill. I remember being here with Sir Adam Beck and being howled down in the railway committee three or four times. We appeared before the railway committee and before the cabinet in an effort to get rid of this bill. Sir Adam Beck was a protectionist of the protectionists, and the most constructive statesman the country has produced. His work in Ontario stands out as one of the most marvellous achievements of the age. Here is his report in regard to this particular project, and how anybody who has any respect for public rights can vote for this particular bill after reading this report which Sir Adam Beck made to the Hydro Electric Commission of Ontario about the economic ills of the Ottawa valley right up through to new Ontario, I cannot understand. Sir Adam Beck makes the statement that this bill had another objectionable feature, the feature with regard to the export of power. I doubt if Sir Clifford Sifton would ever have had anything to do with this bill but for the export privileges which the charter confers. This is what Sir Adam Beck says in this report:

> At the present time the citizens of Ontario and, in fact, the citizens of Canada are confronted with a most serious menace to their future development and general welfare. It is exceedingly regrettable that the efforts being made to re-establish Canadian business on a firm and satisfactory basis should be nullified by the attempt to alienate the basic necessity of low-cost hydro-electric power. And yet this is what is being done.
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> In my judgment, no government in Canada can stand against the opposition of the public opinion that will be expressed by the people of the provinces of Ontario and of Quebec once it is fully appreciated what sacrifice of their interests is involved in the lease proposed for the Carillon water-power development on the Ottawa river, involving, as it does, the right to export electrical energy to the United States under circumstances which, heretofore, have not existed. The copy of the proposed Carillon agreement that I have been able to go over contains conditions that are scandalous.

Hon. gentlemen may think I have used strong language, but Sir Adam Beck says that the proposed Carillon agreement "contains conditions that are scandalous." He goes on:

> The chief feature of the menace to the citizens of Canada to which I refer is the definite and concerted effort to break down the safeguard Canadians now have under the Dominion law and regulations relating to the exportation of electricity. As these restrictions now stand, applicants for the exportation of electricity to the United States must take out a yearly license and it has been definitely stipulated that if Canada should require the electricity that is

temporarily being exported, it must be returned for Canadian use as and when required. This provision for the taking out of a yearly export license was made in 1907 by the Canadian federal authorities, because the government had in view the fact that eventually all Canadian electrical energy might be required for consumption in Canada. The recent public announcement of the Prime Minister of Canada that his purpose is to discourage and to curtail the exportation of electrical energy by the imposition of the export tax, already authorized by law, is in accordance with the policy of prior governments. The tax now authorized by the government of Canada of only three one-hundredths of a cent per kilowatt-hour is not a sufficient deterrent, and the danger is that it doubtless will be used in justification of further exportation. The Ontario government, the Association of Municipal Electrical Utilities of Ontario representing the municipalities of Ontario, and the Hydro Electric Power Commission, are opposed to further exportation of electrical energy, but, if an export tax is to be the policy, then the maximum export fee of $10 per horse-power should at once be imposed and, if this is found to be insufficient, then under a modification of the statutory provisions relating to this matter a sufficiently larger export tax should be levied.

Then he goes on to refer to this particular bill as being obnoxious, and says that the Carillon lease is being sought by the Quebec-New England Electric Corporation, which wants 400,000 horse-power:

Briefly, it may be explained that even under full development and regulation of the Ottawa river waters it is impossible to develop more than a maximum of 200,000 continuous horse power at the Carillon rapids power site. This proposal, however, is not an oversight on the part of the applicant concerns, because it has been announced through the public press that the agreement provides that any deficiency in the 400,000 horse power to meet commitments of the company—and, of course, it is obvious from the start that there will be a deficiency of at least 100 per cent—is to be made up from some other source or sources of power supply, not improbably from the Ottawa and the St. Lawrence rivers. The stakes to be won are tremendous—

Of course, they are tremendous; otherwise Sir Clifford Sifton would not be in it.

—involving the greatest localized power assets in the world on the St. Lawrence and Niagara rivers.

The programme of expenditure as announced in conection with the company's proposed operations is of such magnitude as to attract special attention. It is proposed to expend $75,000,000, of which some $25,000,000 is to be expended in electrical transmission equipment to be installed in the United States. If the Canadian government should grant the terms asked for in the proposed lease, it is obvious that very extensive vested interests of many more millions in connection with power-using industries would be created in the United States to the preservation of which the government of Canada would be obligated.

Sir Adam Beck then goes on to refer to the imminent shortage of power in Ontario, but as that is well known I shall not quote his remarks.

Then he proceeds to lament the fact that Canada's electricity is being coveted by the super-power interests in the United States; and states how difficult it is to get the hydro-electric into the territory. He refers next to the strenuous efforts he made to get control of the water-powers and to generate for public use in Canada further supplies of electrical energy from the Ottawa and St. Lawrence rivers, and he says:

It is in consequence of such blocking that the commission is now being forced to provide for the generation of electricity by steam power. At the present time, an appropriation of $10,000,000 for steam-electric power has been made and within a few years this outlay will reach $25,000,000. Practically all of such expenditure would not be needed if the Hydro Electric Power Commission had been permitted to proceed with its programme of hydro-electrical development of Ontario's own water power. In view of the fact that the growth in the consumption of electrical energy, as well as other circumstances, demonstrate that a power famine is at hand, it is intolerable that the provinces of Ontario and Quebec should be placed in the position of having to defend their provincial rights against the powerful efforts being made under the pretext of national development to persuade the Dominion government to alienate the hydro-electrical assets of these provinces.

I am convinced that it will not be long, only a year or two, before the oncoming serious power shortage will be experienced—both easterly and westerly—throughout the province of Ontario. There is also a shortage of electrical energy in many parts of the United States, notably throughout the New England states and extending down the Atlantic coast to New York and Philadelphia. It has been represented by some of the United States public organizations dealing with water-power problems that the only satisfactory solution of the problem of supplying low-cost electrical power in wholesale quantities to the New England states is to receive such supply from Canada. This would foster and build up the industries in the eastern United States at the expense of those in Canada. It is not surprising, therefore, that every effort is being made to facilitate exportation of electrical energy from Canada to the United States under long-term contracts or agreements,—in fact, it has authoritatively been stated by some prominent in United States public life that the people of the United States, besides retaining control of the water-powers in their own country, should reach out to control, as extensively as possible, the water-powers in adjacent countries.

Sir Adam Beck, at page 6, says:

Carillon proposals merely part of a gigantic power program by United States interests.

Recently the New York Times commenting on what it terms the "project to link resources across the border with ours," stated that "underlying the entire plan, on which commissions represent-

ing the United States and Canada have been working for a year or more, is an ultimate plan to pool the entire power resources of the two nations. This larger plan would involve close to $5,000,000,000 of properties and would call for grouping by territorial sections." In other words, "the ultimate plan" is seen to blanket the water-power resources of the Dominion of Canada, and the proposed export of 400,000 horse power from the Carillon development is simply the first step in carrying out this gigantic program of making Canada's water-powers the source from which electrical energy is to be permanently exported to the United States for building up the communities and industries of that country.

Then on page 8 he refers to the welfare of Ontario municipalities, especially of the Ottawa valley, and says:

That they are competent to employ the electrical energy advantageously is fully evidenced by what has been accomplished by the municipalities in their publicly-owned undertaking in which, at the present time, they have invested over $250,000,000.

He speaks of the great sacrifice and irredeemable loss involved:

I cannot too strongly emphasize the fact that the proposal in connection with the Carillon falls development is not merely the entering of the thin end of the wedge by means of a change in the law governing the exportation of electricity, but is a complete breaking down of the barrier which, heretofore, has been a reasonable, and in fact the only, safeguard to the people of Canada, serving notice annually on all users of Canadian-produced electricity that this commodity is only being exported from the country until such time as the need arises for its use in Canada and until it becomes necessary to employ the electricity for the municipal, domestic, commercial and industrial requirements of the citizens of Canada.

On pages 9 and 10, he mentions the fact that the premiers of both Ontario and Quebec are opposed to the exportation of electrical energy. On page 10 he takes issue with the water-power policy of the federal government, and calls attention to comments made in the public press on May 27 and 28, 1925, respecting the exportation of Canadian electrical energy, with special reference to the proposed development at the Carillon power site and refers to the total possible installation for Canada as 42,000,000 horse-power. He says:

In such a total there appears to be an estimate of about 9,000,000 horse-power for the province of Ontario. No such figure can be justified in connection with any sane appraisement of the water-power that is available for economic utilization in connection with Ontario's industries. As a matter of fact, taking the international section of the St. Lawrence, the waters now available on the Niagara river, and the potentiality of the Ottawa river, there is not more than 2,500,000 horse-power available for economic purposes, and even if 20,000 second feet of water additional for Canada should be provided from Niagara's waters and all other unused powers that may be considered from an economic aspect in Ontario be included, the maximum figures that should be employed in deliberations involving Ontario's water-power would not exceed, say, 3,500,000 horse-power. Water-powers in the far north—such as those on rivers flowing into the Arctic ocean—are not even to be considered at the present time in competition with the highly economical water-powers of the Ottawa, the St. Lawrence and the Niagara rivers. It is, therefore, absurd to give any serious consideration to a quantity so hypothetical from an economic standpoint as the 42,000,000 horse-power for the whole of Canada, and this comment applies also to the 9,000,000 horse-power for the province of Ontario.

Then he refers to the municipalities of the two provinces and to the farmers' organizations and says he is the best friend the farmers of the country ever had. I may say that so far as this particular piece of legislation goes it should be voted down and the bill should be thrown out.

In these paragraphs we have the result of what the hydro-electric has done:

1. Every dollar of the $160,000,000 hydro investment is earning interest and sinking fund.
2. Hydro investment saved Ontario from a coal famine that would have bankrupted the province in war time.
3. Hydro investment saved 2,200,000 shareholders over $75,000,000 in reduced coal, light and power bills.
4. Hydro investment saved Ontario over $100,000,000 on coal prices, which would have gone to $30 per ton in war time but for the hydro investment that gave Ontario the equivalent of 3,000,000 tons of United States coal per annum.

That is what it did for Ontario. I observe there are a few more ministers present now. I have no objection to their help if they will give it to me.

With all due respect to the members of the cabinet, sitting on the front benches, I suggest that this is the time for some minister to arise and tell the House what the policy of the government in this matter is. Is the Ottawa valley to be allowed for the next thirty-three years to stew in its own juice and wait to get direct current while the government take no action to solve the problem? We know what has been said about the conservation of natural resources by the Stanley Baldwin government, the Coolidge government and the governor of New York state. That great statesman, President Roosevelt, made the following statement:

The people of our country are threatened by a monopoly more powerful than has been ever seen, as it affects very closely their domestic and industrial life. Our next generation will witness a shortage of those natural resources, petroleum and gas. The price of coal will be such that hydraulic power turned into electrical energy will, owing to its cost, become the prevailing factor for transport, for manufacturers,

for lighting and heating our towns. Our hydraulic power alone, entirely and judiciously employed, would be adequate for the present needs of transport, industries, municipalities and private individuals.

The major portion of these powers is not developed and remains the national property. It would be madness to part, without conditions, with one of our greatest resources. If we become guilty of this crime, our children will be bound to pay an annual royalty on a capitalization fixed at the highest price that the trade will stand for. They will see themselves struggling with powerful sweaters entrenched behind the doctrine of discharged rights strengthened by all means of protection that money can buy and the cunning of corporations defended by legal men. These ogres of finance will have succeeded long before then to monopolize those resources so as to be able to dictate to the people the management of their affairs and their ways of existence. Public opinion will be their least worry.

I have referred, Mr. Speaker, to the fact that the Ontario legislature is unanimously opposed to this bill. In this connection the House will no doubt be interested to hear a few of the comments by the press of Ontario on the advisability of not renewing the charter. The Globe under date of March 7, says:

The Old Fight is On Again

For thirty-three years the Montreal, Ottawa and Georgian Bay Canal Company has held a Dominion charter giving it rights to construct canals and develop water-power resources of the Ottawa and French rivers. In all that time no constructive work has been done.

The company is back to Ottawa again seeking from the Dominion parliament another—the fourteenth—extension of its charter. The application is sponsored by Sifton interests.

They are back on their old stamping ground again. They found it so easy in other years, so why not come again?

The charter for which another renewal is asked apparently does not obligate the company to do anything. It gives the company continued control over public resources of tremendous potential value and permits the company to develop only those resources which it may deem profitable, while "so much of the said canals and works as then remain uncompleted"—presumably the more costly and unproductive construction and development—return to the public.

The canal is just a blind, a mere smoke screen to get the bill through and give them these valuable water-power rights. Then they will say good-bye to the canal and we shall think of the Georgian bay canal in the terms that we now think of the celebrated Newmarket canal.

The provinces of Ontario and Quebec are directly affected. The legislature of Ontario plans to record the protest of this province today. But the fight is at Ottawa. There a great principle is at stake. Shall the natural resources of this country—the property of the people—be handed over to private, profit-taking promoters, or shall they be conserved and developed in the interests and for the welfare of the public?

The old battle is on once more. The Montreal, Ottawa and Georgian Bay Canal Company's bill must be defeated. The charter must lapse. For the interests of the whole people come before the avaricious ambitions of a few.

That, Mr. Speaker, is from George Brown's own paper. Let me say to my hon. friends opposite that the Globe newspaper has not left the Liberal party; the Liberal party has deserted the Globe newspaper and the principles for which it stands. I see to my left two young and hon. members from the province of Nova Scotia. I know that they do not approve of the way in which millionaires have grabbed the natural resources of Nova Scotia. It is no wonder that their province needs now the measures recommended by the Duncan report. The resources of Nova Scotia were handed over for private exploitation just like Santa Claus hands presents from a Christmas tree—a present to Clifford Sifton great, a present to Clifford Sifton small, and to all the other would-be monopolists. Now it is proposed to cede the rich Ottawa valley to these exploiters of the public domain, and as a result the old Rideau canal now in front of the Chateau Laurier would become part of their canal system. The Rideau canal was built by the British government as a back door to lake Ontario after the war of 1812 had demonstrated the necessity of this project as a measure of national defence. But Sir Clifford Sifton comes in at the front door and tells the Prime Minister and his cabinet what he wants. He has been very successful in managing the government apparently in his endeavour to put this bill through the House. But he is not going to manage anybody in this part of the House because we are resolved to vote against the principle of his measure. The other evening I was told that in this city two hundred people could not find sleeping quarters. I recommended them to go and take a rest on the government front benches. The organ of George Brown has been trying to wake the government up out of their trance so that they may tell the people where they stand on this proposed legislation.

Well, Mr. Speaker, I do not think I can do better than continue this afternoon service. If any of the ministers now in their seats want to take my place I shall be quite willing to step out of the pulpit, but when they prefer slumber it is incumbent on some of us to take their place, even should we not be members of the United church. I do not happen to be a member of that church. I

believe its organization brought about as much union as did Union government. Continuing my simile, I propose to read a sermon preached from the sanctuary of the Globe newspaper on March 2—Ash Wednesday. Apparently the editor feared that during the forty days of Lent the ministry would remain speechless on this bill. I read the Globe. It is the best morning newspaper we have in Toronto. We are all familiar with its motto:

The subject who is truly loyal to the chief magistrate will neither advise nor submit to arbitrary measures.

That quotation from Junius I am sure is perfectly familiar to my two hon. friends from the maritimes, who no doubt studied the letters of this great publicist when they were taking their B.A. course. This is the heading of the Globe sermon given during the morning service. I shall be pleased to conduct this evening service unless some of the hon. ministers will take my place and end their sleep of peace.

The people of Ontario are vitally interested in bill No. 78 now before the House of Commons for the purpose of renewing the thirty-three-year-old charter of the Montreal, Ottawa & Georgian Bay Company, giving authority to develop power on and canalize the Ottawa and French rivers. The second reading was moved in committee last Friday, and was opposed by Sir George Perley on the ground that advancing it to this stage would give approval to the principle of the measure, a point which, he believed, called for serious consideration.

When the charter was granted this company in 1894 Ontario had not entered upon its program for public ownership of water-powers. The project was received with enthusiasm not only in the Ottawa valley and along the French river but throughout the province because of the transportation facilities promised as much as for the prospective power development. Since hydro has demonstrated itself conditions have changed, and the people are no longer willing to turn over to private ownership hundreds of millions of dollars' worth of natural resources which can and should remain part of the public domain.

It was hoped and expected that steps would be taken within a reasonable time to make the charter operative. Authority to proceed with the work has rested during all this time with the company, for it has been able to go to parliament and get its charter renewed no fewer than thirteen times. It is now back for the fourteenth time without having shown any tangible evidence of good faith in carrying out the project. Is it reasonable to suppose that the members of parliament will view this sort of thing with complaisance?

If the Georgian bay canal bill is passed by parliament it will cause Ontario the loss of half a million horse-power, according to Premier Ferguson. The province will back him up if he carries out his promise to fight this to the limit.

The original estimate of the cost of building the canal—the feature of the improvement which has been most stressed by its promoters—was $100,000,000. Not only was this money not forthcoming, but Sir Robert Perks, who appeared in connection with it, and who was known to have powerful financial backing, appealed on various occasions to the federal government to guarantee the bonds of the canal, advancing the argument that it was a work for the benefit of the public. Beyond doing a small amount of surveying, this is about as far as the building of the canal proceeded, and this alone is enough to cast doubt on the sincerity of the company so far as the canal is concerned.

The Sifton interests now appear as sponsors for the undertaking, and besides being a contest, as it has in past years, between demands for consideration for Ottawa power development as against St. Lawrence development, it has developed into a contest for power rights at Carillon between the Siftons and Montreal power interests. As between the two, those who believe in public ownership and the development of hydro have, perhaps, not much to choose, except that, so far, the Montreal people do not appear to seek as much from the public as the others. On the other hand, the charter of the Georgian Bay Company apparently does not obligate it to carry on more development work than it finds profitable.

This is a point which parliament cannot afford to overlook. Under the original act, and as it now stands with its amendments, it is open to the company to proceed, ostensibly, with the construction of a section of the canal, say, in the Carillon falls district, or at any other point along the route where there is a water-power, and then abandon the work. If this is done, or if for any reason the company fails to proceed after developing the Carillon falls power, or any other power, under the guise of constructing part of the canal, there reverts to the government—to quote the language of the act—"so much of the said canals and works as then remain uncompleted."

On the face of it, then, the renewing of the charter gives to the company authority to proceed with such work as it selects, and if it leaves the project incomplete the government can take it over with its blessing. The fact that the company is not given an exclusive franchise, as pointed out by the Minister of Railways and Canals in 1924, does not help much.

Now if this bill is passed by parliament it will mean the loss of half a million horsepower to the people of Ontario according to an estimate made by the premier of the province the other day, and the whole province will be behind Premier Ferguson in appealing the matter to the Privy Council, as undoubtedly he will do if we allow this to go through.

I have here a report on the St. Lawrence waterway submitted by the International Joint Commission concerning the improvement of the St. Lawrence river between Montreal and lake Ontario for navigation and power purposes. At page 94 of this report I read the following:

E. L. Cousins, of the Toronto Harbour Commission, stated on the other hand that the Georgian bay route had been investigated some

years ago, and that it had been established that a vessel could be taken from Duluth or Fort William to Montreal by the St. Lawrence in much less time than by way of Georgian bay. He also pointed out that the season of navigation on the latter route would be much shorter, and that it lay through an unsettled country. It may be noted that during the past fifty years or so a number of reports have been made to the Canadian government on the practicability of the Georgian bay ship canal, the most elaborate as well as the latest report upon the engineering features of the scheme being that of 1908, while in that and subsequent years Sanford Evans reported upon the economic practicability of the same route.

At page 34 of the same report there appears a brief survey of the work accomplished in connection with the Georgian bay ship canal project. I would recommend a reading of the report in that connection. When we consider the large investment which the municipalities of the province of Ontario have in the hydro-electric scheme it is nothing short of a tragedy that a private interest should come to this parliament and seek to have this whole territory handed over for exploitation. A resolution was unanimously adopted by the Ontario legislature a day or two ago opposing the passage of this legislation, in view of the immense investment which the people of the province have in the hydro-electric enterprise, an investment amounting to about $250,000,000. Capital is invested in hydro undertakings by the Niagara system to the extent of $141,000,000 odd, also in the systems under the control of Essex county, Thorold, Severn, Eugenia, Wasdells, Muskoka, St. Lawrence, Rideau, Thunder Bay, Ottawa, central Ontario and Trent, and Nipissing; and in service buildings, construction plant, stores, hydro-electric railways, and so forth.

When you reflect on the service which the Ontario Hydro-Electric Commission has been able to render the people of the province, not only in the cities and towns but in the country as well, you can appreciate the gravity of the present attempt to secure for private exploitation this vast territory in the Ottawa valley. To hand over this territory to a private concern would be simply outrageous. Just consider for a moment what the Ferguson government proposes to do to carry the great boon of cheap light and power right to the door of the Ontario farmer, in order to make living conditions as easy for him as for the urban dweller. By means of subsidy the provincial government intends making life on the farm in Ontario a real joy by providing light, power and heat at the lowest rates possible, thus realizing the dream of the late Sir Adam Beck. The scheme which the provincial government has in contemplation is practicable and it will enable every bit of work on the farm to be done by electricity.

The bill before the House is objectionable in many respects. In the first place it does not conform to the rules of the House, and, secondly, there is the finding of a royal commision which was appointed to investigate this whole question. Sir Henry Drayton, Mr. Acworth and Mr. Smith, the president of the New York Central, went into the whole question and submitted a report to parliament. They recommended that there should be no extensions or renewals of canal and railway charters without first a report on the same being made by the railway commission.

The province of Quebec is opposed to this particular bill and the leader of the opposition in the legislature has introduced a resolution with respect to it which is to come up for discussion. As to the attitude of the province of Ontario the Toronto Globe, in its issue of March 4, puts itself on record as follows:

In his clear-cut and emphatic statement regarding the application for the renewal of the charter of the Montreal, Ottawa & Georgian Bay Company, now before the Dominion parliament, Hon. G. H. Ferguson speaks not as a party leader but as the Prime Minister of this province. In his determination to resist the passage of this iniquitous measure —a measure which proposes, in the matter of vast and valuable public resources, to extend the thirty-three-year period of private corporation control during which nothing has been done—and in his appeal to the representatives of all provinces and all parties to unite in defeating it, Mr. Ferguson will find the overwhelming majority of the people militantly behind him.

It is not too late yet for this House to unite with the province of Ontario and so make the action against this bill unanimous. On this point the Globe expresses the following opinion:

Ontario Is Unanimous

By the unanimous adoption of Premier Ferguson's resolution of protest the legislature yesterday placed the province on record as opposed to the extension of the Georgian bay canal charter. There is no doubt that public opinion was thus put in concrete form. The legislators were on safe ground. There could have been no compromise when a question of general policy was at stake. Both Mr. Sinclair and Mr. Raney realized that politics had no place in the matter, and their followers rallied to the support of the Prime Minister.

This was a public-spirited act which their constituents should appreciate. And now the fight goes to the legislative halls at Ottawa, where united Ontario should make itself heard in no uncertain voice. The press of the province, regardless of political affiliation, has expressed disapproval of this charter, that the water-powers of the Ottawa may be retained for the benefit of the people. It is not a question of denying a franchise to one private corporation that another may get it, but of preventing all private exploitation of this important waterway. At Ottawa the fight, to date, has been chiefly between two private

interests. Ontario should step in to see that neither succeeds in gaining possession of power rights which can be preserved and developed by and for the public. The St. Catharines Standard points out the situation in these words:

From all reports, a mighty powerful subterranean lobby is in progress at Ottawa on the issue. The Siftons are powerful interests behind the government, but the fly in the ointment, from a government standpoint, is in the fact that the Sir Herbert Holt group is opposing the charter tooth and nail. If the government accedes to the Siftonian demands, then trouble from the Holt group in Montreal may be expected. It is argued that if the company really wants to build the canal, let it go ahead and build it, but parliament should revise the old charter and withhold the power rights.

Ontario is manifestly not interested in this fight, except to checkmate both parties. It has no wish to throw the vast millions buried in the Ottawa and French river waterfalls into the pockets of the Holt exploiters any more than to the Sifton interests. It is doubtful if a canal charter can be given without prejudicing the public rights in the power, and if this is the case the issue for Ontario is the termination of the whole thing. The value to the exploiters lies in the power, not in the canal. The one should not be permitted to cloud the other.

This province knows where it stands, and the representatives of its legislature and municipalities should overlook no step necessary to impress its position upon the members of the federal parliament.

There are two main questions involved in the consideration of this question. The first is with respect to handing over to a few private individuals the right to build a canal through the Ottawa valley to the city of Ottawa and to charge tolls for the use thereof, as against the construction and maintenance of this waterway as a government work. Having decided that question the disposition of the water powers must be considered. As I have already pointed out, subject to the rights of navigation, the surplus water belongs to the two provinces of Ontario and Quebec. The bed of the Ottawa river, the banks on both sides, and the rapids and falls in that river belong to the two provinces equally, subject to whatever water may be required for navigation purposes. These are the two chief questions which must be kept in mind and not by the widest stretch of the imagination can it be urged that the water-power clauses of this particular bill are a matter for the federal authority to deal with.

I should like now to read expressions of opinion by the press of Ontario, outside the city of Toronto, in regard to this measure. The Stratford Beacon-Herald declares:

Water-powers in Ontario are the property of the people. The late Sir Adam Beck fought for years to establish that fact, and he did establish it. He may have been arbitrary in his methods, but he was right in his ideals. It has been the people's money that has demonstrated the worth of water-power development in Ontario and there can be no departure now from that policy that marks all water-power sources as the property of the people. When Premier Ferguson sends his protest to Ottawa against renewing an old charter to a private company he will be sending it on behalf of all the people in this province.

The Port Hope Times gives utterance to the following opinion:

A Gift of $100,000,000

The iniquity of the proposed renewal of the charter of the Montreal, Ottawa & Georgian Bay Company, now before the Dominion parliament, has been recognized for a long while by most people. Some members of the King government, however, and others close to the Sifton interests do not seem to be so impressed with the iniquity of the proposal and apparently there is going to be a battle royal on the application for a renewal of the charter. The granting of the application would mean a gift of $100,000,000 to the Sifton interests.

The Ottawa Citizen takes the following stand:

Privileged Interests Too Late.

The Canadian people are no longer willing to hand over such special privileges, including the control of hydro-electric power resources, to private promoters. Private capital should have been more enterprising in the years when there would have been some credit due to promoters in starting work on the Georgian bay canal. They might have claimed the reward of foresight. But in this age of power development, it calls for no foresight to see the immense value of water-powers on the Ottawa river. It would be the equivalent of a cash gift worth millions of dollars from members of the House of Commons, at the expense of the public, to renew the charter again. Members of parliament who voted for it would come uncomfortably under the scrutiny of an unusually watchful public opinion.

The St. Catharines Standard declares:

The private charter of the Montreal, Ottawa & Georgian Bay Canal Company gives the company the easy spots for the development of power and the country would be faced with the burden of putting up the cash to finish the job. The course of the Sifton bill will be watched with interest in this part of the country, where the Siftons have as much influence over our votes as the Kaiser.

The St. Catharines Standard says further:

It was all right 33 years ago to turn over water-powers to private capitalists, but that policy in Ontario was revoked long ago, thanks largely to Sir Adam Beck, who preached the right gospel. The Sifton interests or anybody else will have the battle of their lives if they try to get water-powers in northern Ontario under any federal charter which has been dormant for over thirty years.

The Ottawa Journal makes the following statement:

Propagandists for the renewal of the Georgian bay canal charter are telling the public that the Georgian Bay Canal Company is prepared to give the country free canals.

The same argument was advanced when the Newmarket canal was undertaken. But saying that canals are going to be free does not make them free any more than the fact that some Liberals call themselves Liberal-Progressives or Progressive-Liberals makes them so in reality. They say they are going to get free canals. All the grain that will be carried free along those canals will be as much as would go in one airship. The article states further:

That, of course, is absurd. One cannot build canals without cost any more than one can build dams and power houses without cost. What the Georgian Bay Canal Company really means is that they will give free canals at the expense of power. They will tax the power to build the canal and maintain the navigation facilities. In other words, the power users, industries, municipalities and individuals of one narrow region in one or two provinces are to pay for navigation facilities that will be free to the citizens of all the provinces and to foreigners, and which under the British North America Act were to be a charge on the national exchequer.

Parliament cannot properly sanction such a thing. It would not only involve discrimination against one class in favor of another; it would give a concealed subsidy to one particular transportation enterprise.

That is what that paper says, and it states the case correctly. The Hydro Electric Power Commission have protested strongly against this bill. They say that the territory should be given back to the Ontario government so that it may aid in developing the industrial centres of this province. I have in my hand, a map, not of the Newmarket canal or the Georgian bay canal, but a map of the Ottawa valley from the island of Montreal right up to the head of the French river through new Ontario. This scheme is being promoted by a large number of financial houses and brokers on both sides of the border, who are boosting the development of this property which has been ceded over to American millionaires, this super-power trust of the United States. Does the Liberal party in this House propose to stand for that sort of thing? Time will tell. The people of Ontario will soon find out where the political parties in this House stand regarding this particular transaction.

I might continue for another half hour until six o'clock, but I will not do so. I do not regret having taken up so much of the time of the House in discussing this matter, because I think a protest is due, and this House should vote down the making of a political football of the resources of the Ottawa valley and handing them over to private parties. We should tell the promoters that the time has gone by in this House when they can get thirteen or fourteen renewals of a charter and treat their charter as a mere scrap of paper. The time has gone by when any government can so deal with the water-powers and other resources of this country. The time has gone by when a party that is willing to hand over to private individuals the resources of this country is entitled to the votes of the people who know the boon of cheap light and power.

The time has come for the government of Canada to declare its policy on this particular bill. It is useless to tell us to wait until the bill goes to the railway committee. Last year, in the case of the Red lake bill, we looked for Sir Henry Thornton to lay down the policy of the government, but there was no help from him in that particular transaction. He did his best to help the interests of the corporations, the Pennsylvania coal barons and the rest of the gentlemen who come from the other side, who are known as the super-power trust. The time has come now for the municipalities and the legislature of the province to demand from the head of the federal government respect for the petition which has been presented to him by the Ontario government. I hope the next sermon will be preached by some member of the government, of whom only five are in the House at present. Some of them have vacated their pulpits. Many of them are on holiday. Every time this bill comes up, they are all seeking a holiday. I know many gentlemen on this side of the House and in other places who want a holiday. Six hundred thousand Canadians had to take a holiday and go to the United States for 365 days in the year looking for jobs. The time has come when the people of this country demand to know where the government stands on this particular transaction.

Mr. J. A. GLEN (Marquette): Mr. Speaker, the discussion on this bill has been broadened by speakers following the hon. member for Argenteuil (Sir George Perley) until it looks as if a first-class issue along party lines had been raised by hon. members opposite. When the hon. member for Argenteuil was speaking the other night, he said that he had no expectation or idea of trying to keep this bill from going to committee. We all know, he said, that cannot be done, and we have no wish to do so. Does the hon. member now take that position, or does he endorse the amendment moved by the leader of the opposition

(Mr. Guthrie) that this is a question of public policy which ought not to be dealt with by any private bill? Does he approve the clear, distinct statement of his leader that the amendment was proposed to afford members of the House an opportunity of deciding upon what his leader chooses to call the principle of the bill? His leader stated that such was the object which he had in moving the amendment, his main object of course being to destroy this measure, to blot it out. If the hon. member for Argenteuil now approves that stand, why was it necessary for him to suggest as he did that the charter should be entirely redrafted to suit modern conditions?

The amendment moved will not give an opportunity to redraft the bill to suit modern conditions. It will blot it out absolutely, and the conference suggested by him between those applying for the charter and other bodies interested need never be held, because the charter holders will be blotted out and eliminated, as the leader of the opposition says. If the hon. member for Argenteuil now concurs in his leader's tactics, it seems to me it would have been proper for the hon. member to state his position in the first instance, that he pursued and practised the policy of delay until he was assured of the support which is now rolling up from different parts of the country.

The hon. member also expressed his satisfaction with the fact that this question was not a party one and could be treated and decided on its merits. I was glad to hear him make a statement to that effect because on that ground, and on that ground alone, does the group which I represent seek to deal with this question, namely, on its merits. We believed, and we still believe, that this question should not be a party measure, and we do not see any necessity for any statement of policy from the government until all the known facts are available to the House. But what has happened?

Does the hon. member for Argenteuil (Sir George Perley) believe now, if he concurs, as I assume he does, in the proposed amendment of his leader, that this measure can be decided upon its merits or that the charter can be altered to suit modern conditions, except upon party lines? The hon. leader of the opposition proposed his amendment, so far as one can judge from the applause which greeted his remarks, with the unanimous approval of every member on the opposite side of the House if one may except only the hon. member for Toronto Northwest (Mr. Church), who is in the position somewhat of a political curiosity. He can blame the party of which he is a member for making this a party issue, and if he derives any satisfaction from that he will be entitled to all that the statement of his leader can give him.

The group which I represent can have and will have no participation in the discussion of this bill on partisan lines. We can and will, with whatever influence we have, pass on this measure in a non-partisan spirit, concerned only with the paramount interests of the Dominion of Canada.

Can any member of this House arrive at a conclusion on the facts which have been submitted to the House up to the present moment? Has any speaker submitted premises on which to build the conclusion that is proposed by the hon. leader of the opposition? Did the leader of the opposition give any reason why this House should adopt his amendment other than that stated in general terms, namely, that the building of the canal necessarily involved the disposal of the power sites which might be created in the proposed canal? The only pertinent fact evolved by the leader of the opposition was that the value of power sites had been recognized and appreciated in a larger measure than heretofore, and upon that ground, and with the idea of protecting the two provinces, he would without any further discussion blot out this charter.

What do we find are the facts concerning the position of those who are the real opponents of the measure as it presently stands? I have here the leases which have been granted in connection with the power sites by former governments, and I propose, if I may, to put them on Hansard, and to read only excerpts containing very general provisions.

The first lease is one which was granted on March 4, 1911. It was made between His Majesty the King and the National Hydro-Electric Company, Limited, of the city of Montreal. The conditions are therein stated; certain rentals, covenants, provisos and conditions. The lease gave certain lots on the northern side of the Ottawa river and certain lots on the southern side of the Ottawa river, and its duration was for twenty-one years from and after March 31, 1911. The rental was to be $100 for the lands and for the water-power $2 per horse-power per year, payable half-yearly in advance. The covenants of the lessees were, first, as to rentals; second, taxes; and third, that they would comply with all the regulations. They were to have access to the property. They were limited to the works, and no works were to be commenced until the plans were approved by the chief engineer of the Department of

Railways and Canals. The lessees had to commence construction within twelve months, and within two years have installed machinery to produce at least 250 horse-power. The lessees were to furnish a bond of $10,000, and in the event of a breach, default or non-performance, the minister was to have the right to cancel the lease and the lessees have no claim for compensation whatever. The lessees also agreed to indemnify the lessor for all damages. The lessees were not to commence work until the plans were approved; the rights and privileges to be used solely for the purpose mentioned, and not to be sublet without leave. The lessees were to maintain the roads, and if at the expiration of twenty-one years the lessees desired renewal for a further twenty-one years or any lesser term, the lessee was to give one month's notice in writing of his desire, when the second term might be granted, as well as a third, but the rental might be increased in that event. The lessees covenant also that they will not enter into partnership without consent, and the right is given to the lessor to cancel the lease on six months notice, the lessor paying to the lessee the fair value of improvements made, assessable by arbitration. In case the lessees were unable to agree as to the quantity of power to be sold to any applicant or as to the provisions therefor, the same should be determined by the railway board.

In the subsequent lease, which was granted on December 1, 1921, the parties are the same, and it is recited that the company has made development and installed power machinery to produce at least 250 horse-power: also that by order in council 1792 of July 14, 1913, as amended by P.C. 4553, authority is given for the issuing to the company of a new lease for construction works. The considerations were the same as formerly, and the lease gave lands and surplus water as described in the recited lease; also the right and privilege to construct and maintain a dam across the Ottawa river, and the right to pen back waters; also the right and privilege to use all the waters of the Ottawa river flowing to the said dam, and not required for the purposes of navigation, including the development of power for the operation and lighting of canals. The lands are more particularly described. The duration of this lease was from and after December 1, 1921, to January 1, 1943, subject to renewals as hereinafter described, at the following rentals:

(2) $50,000 from January 1, 1928, to January 1, 1933.

(3) $100,000 from January 1, 1933, to January 1, 1938.

(4) $150,000 per year from January 1, 1938, to January 1, 1964.

(5) For the 21 year period beginning January 1, 1964, such annual rental as may be agreed upon between the minister and the company or settled by the Exchequer court.

(6) For the 21 year period beginning January 1, 1985, the same provision.

It goes on further and gives the covenants, which are the same as in the former lease. They were to commence construction within two years, and they had the power to acquire further lands by expropriation. Clause 9 reads:

(9) The company shall construct a lock at entrance of Carillon so as to put said canal in good condition for navigation, to be the property of the lessor.

(10) The company shall construct on or near Grenville canal a lock satisfactory for navigation, and so forth, to be the property of the lessor.

(11) The company shall do such work as will furnish adequate protection to the existing works of the Carillon canal.

(12) No works will be proceeded with unless approved by the chief engineer of the Department of Railways and Canals.

(13) During navigation period of the company to maintain levels.

(14) The company shall indemnify the lessor for any damages.

(15) Lessor's right of entry.

(16) The company shall keep roads in repair.

(17) At the expiration of term ending January 1st, 1943, the company may renew on giving one month's notice in writing; for a second 21, a third 21, and a fourth 21 years.

Mr. ARTHURS: What is my hon. friend quoting from?

Mr. GLEN: I am quoting from the abstract of terms of the lease granted in 1921, and I have the original lease here:

(18) Upon expiration of the lease the company shall forthwith remove buildings, etc., upon terms therein set out.

(19) At expiration of lease should lessor desire to continue the utilization of power, through private operation, company shall be entitled to such upon terms.

(20) The lessee has no right to sublet.

Mr. ARTHURS: What application has that particular lease to the Georgian bay canal?

Mr. GLEN: That is a very proper question, and a question I propose to answer now. When the Meighen government was in power an order in council was passed renewing this particular lease which I have quoted.

Mr. ARTHURS: What lease?

Mr. GLEN: The one I have already given. I wish the House to note that the renewal was granted on the 26th August, 1926, prior to the date of the general election, when the

members on the opposite side of the House had no mandate from the country, and when they took upon themselves to grant a renewal of that lease governed only by their own sweet will.

Mr. HEAPS: Did my hon. friend approve of the grant of that particular lease?

Mr. GLEN: I was not asked to approve.

Mr. HEAPS: Will my hon. friend answer the question.

Mr. GLEN: If my hon. friend will allow me to continue he will find out whether I approved or not. Prior to the last election, without any mandate having been obtained by the leader of the opposition, or the government of which he was a member, they took it upon themselves to renew that lease, and these are the terms. I have a certified copy of the minutes of the meeting of the committee of the Privy Council approved by His Excellency the Governor General on 26th August, 1926, which reads:

The committee of the Privy Council have had before them a report, dated 23rd August, 1926, from the Acting Minister of Railways and Canals, with reference to lease No. 24414, between the Department of Railways and Canals and the National Hydro Electric Company Limited, authorized by orders of the Governor General in Council, dated the 14th July, 1913, and the 1st December, 1921, which lease provided for the furnishing by the company, at no cost to the government, of greatly improved canalization facilities past the Carillon rapids in the Ottawa river, and the utilization by the company of the water-powers adjacent thereto.

The minister observes as follows:

That lease No. 24414 required that actual construction operations be commenced by December 1, 1923, a minimum of 25,000 horse-power developed by December 1, 1926, and certain rentals to commence within two years after the completion of the plant or by January 1, 1928;

That for financial and engineering reasons the company has been unable to conform to the original time clauses of its lease and appropriate extensions have been authorized by orders in council, dated August 14, 1923, November 29, 1924, and October 28, 1925, and

That the company now represents that its investigations and negotiations are advanced to a stage where it will be able to start actual work during the year 1927, and have the navigation improvements and power development adjacent thereto completed by December 1, 1931. Accordingly, it has requested that the arrangements provided in the original lease for the starting of construction work, completion of the improvements and commencement of rentals be now definitely stipulated in a new supplementary agreement.

The minister therefore recommends that he be authorized to enter into a supplementary agreement with the National Hydro Electric Company Limited, to again amend the said lease No. 24414, by granting a further extension of time for the commencement of improvement works referred to by the 1st December, 1927, the completion of the works with a minimum of 25,000 horse-power developed by December 1st, 1930, and the commencement of payment of rentals on Janunary 1st, 1932.

The minister further recommends that should the company secure the coöperation of either or both of the governments of the province of Ontario and Quebec in the power phase of the improvement project, and on a basis satisfactory to Your Excellency in Council, one-third of the total rentals shall become payable to each of such coöperating governments, as a credit upon any rentals such provincial governments may exact.

The committee concur in the foregoing and submit the same for Your Excellency's approval.

(Signed) E. J. LEMAIRE,
Clerk of the Privy Council.

Mr. ADSHEAD: My hon. friend mentioned Carillon falls. Does that cover the same property this bill covers?

Mr. GLEN: Of course not.

Mr. ARTHURS: If this agreement by the government, or by any government previous to the renewal of the charter, has any effect, it means that the charter itself would not be affected; or in other words, if the government had power to grant to any company the control of the Carillon power on the Ottawa river, or under any other power, or any other terms than these, then this bill would be ineffective, would it not?

Mr. GLEN: My hon. friend does not realize the exact situation. Here is a lease granted to a power company which has been in existence for a considerable period, under which certain provisions with regard to construction of works have to be made within a certain time. That work is not completed. They come to the government—unauthorized as a good many seem to think, in office without having received a mandate from the country to carry on—and yet this government of its own act, without consultation with anyone else, grants a renewal of that lease.

Now I come to my hon. friend's point. Lo and behold! We have here the leader of the opposition (Mr. Guthrie) moving an amendment to a charter which has not yet expired, and the works under which are in exactly the same position as the works provided for under that lease. His amendment is against the principle of the bill. Does he think that the principle of the lease is any different from the principle involved in the bill? The same request was made of the government of that day for a renewal of the lease as is now being made of this government for a renewal of the bill or charter.

Mr. LAPOINTE: Not of the government, of parliament.

Mr. GLEN: Yes, of parliament. The same situation has arisen in connection with a portion of the very same matter that is contained in this bill, and yet the leader of the opposition came forward and offered to that company an extension of the lease without consultation with parliament.

Mr. ARTHURS: No, no.

Mr. GLEN: But it was done.

Mr. LAPOINTE: Absolutely.

Mr. GLEN: Because my hon. friend does not know that when the present government came into power they took upon themselves by order in council to cancel the extension that had been granted.

Mr. ARTHURS: Will my hon. friend allow me a question right there?

Mr. GLEN: I will now read the cancellation if my hon. friend will permit me. This is certified to be:

A true copy of a minute of a meeting of the committee of the Privy Council, approved by the Deputy of His Excellency the Governor General on the 28th September, 1926.

The order in council proceeds:

The committee of the Privy Council have had before them a report, dated 28th September, 1926, from the Minister of Railways and Canals, representing that by an order in council of the 26th August, 1926 (P.C. 1337) what purports to be authority has been given for entry into a supplementary agreement with the National Hydro Electric Company, Limited, covering an extension of time for the commencement of the improvement works to be carried out by the said company under its lease No. 24414, dated the 1st December, 1921, in respect of certain lands and land and surplus water, together with certain rights and privileges to construct a dam and to use the surplus waters of the Ottawa rivers; the time for the commencement of the works referred to to be fixed as by the 1st of December, 1927; completion of the works with a minimum of 25,000 horse-power developed to be fixed by the 1st of December, 1930, and the commencement of payment of rentals on the 1st of January, 1932. The said order in council further purports to authorize payment of one-third of the total rentals to each of the provinces of Ontario and Quebec, as a credit upon any rentals such provincial governments may exact, in the event of the company securing the co-operation of either or both of the said provincial governments in the power phase of the improvement project on a basis satisfactory to Your Excellency in Council.

The minister further represents that it is expedient that the matter, as approved by the above mentioned order in council of the 26th of August, 1926, P.C. 1337, be given reconsideration.

The minister, therefore, recommends that the said order in council of the 26th of August, 1926, P.C. 1337, be cancelled.

The committee concur in the foregoing recommendation and submit the same for approval.

(Signed) E. J. LEMAIRE,
Clerk of the Privy Council.

Does that answer my hon. friends' question?

Mr. ARTHURS: No, it does not. What possible connection has the order in council or its repudiation by the present government with the Georgian bay canal scheme?

Mr. GLEN: Mr. Speaker, either I have not made myself clear or the hon. member is dull. I have endeavoured to show him and this House that the principle which the leader of the opposition has invoked in connection with this charter is exactly the same principle that he did not invoke when he granted a renewal of the lease to the National Hydro Electric Company. That is the reason why I think this is merely a subterfuge, an attempt to prevent this bill going to the committee where the facts can be ascertained. I fail to see, Mr. Speaker, wherein the leader of the opposition in his speech differentiated between that principle with respect to the lease and the principle which he enunciated in his amendment. It seems to me that the same rule of law should apply in this case as in the other.

Now, I suppose consistency may be preached in politics but not practised. However, I imagine that in this matter consistency would be a great virtue, more especially in dealing with a bill of this magnitude, and that we ought to keep it in view. This brings me to the inquiry as to what interests are involved and why there is this discussion on the principle of a measure that has been before this House for the past thirty-three years, during which time I must assume that the principle was discussed and passed upon. Apparently two interests are concerned in this discussion—one that the hon. member for Toronto Northwest (Mr. Church) has just described as the Sifton interests, and the other that has been mentioned by certain hon. members as the Holt interests. There seems to be a conflict between these two interests which is to be terminated by this debate.

I submit, Mr. Speaker, that the Sifton interests have the charter of which they are now seeking a renewal. According to the statements of several hon. members the building of the proposed canal cannot be divorced from the creation of power sites. This argument is used. If it is admitted, as the leader

of the opposition has stated on page 1137 of Hansard, that all that parliament is concerned with is its paramount rights in respect to navigation on an interprovincial river—and I have no reason to doubt that that is so—the question naturally arises: Can the canal be built without at the same time constructing dams and practically everything else necessary for electrical development except only power houses and turbines? In other words, is not the expense of developing the potential hydro-electric energy along the canal an inherent, necessary and incidental expenditure without which the canal itself cannot be built? When he was speaking on this bill last week I asked the hon. member for Argenteuil (Sir George Perley) how he proposed to separate the use of the water in the Ottawa river for hydro-electric purposes from its use for navigation purposes. I thought that was a very pertinent question to put to the first speaker on the subject, and the only answer I received was that, in his opinion, the parties interested at the conference, which he suggested should take place, would determine this. The answer is not satisfactory and, I submit, is not entirely conclusive to members of this House.

I am not offering any evidence myself as to the arguments that have been advanced, for a very good reason which I think will answer the question put to me by the hon. member for North Winnipeg (Mr. Heaps). But suggestions have been made by a number of speakers as to the potentialities of the project and what it might mean to the Dominion of Canada. I will mention some of these suggestions. It has been suggested, for example, that the control of water in the river for navigation purposes means so controlling the water as to maintain a certain depth in the channels; that the maintenance of the depth of water in the channels is a matter of and is entirely dependent upon the control of the water levels; and that the maintenance of the water levels entirely depends upon the control of all the outlets in the dam irrespective of the form which these outlets may take. Is it not a fact that hydro-electric power is developed by the control and manipulation of the outlets in the dams? Can power be separated from navigation without giving the power company the control of the water which passes through the outlets of the dams to the turbines? If not, would the result not be to separate the two, giving the control of navigation to the power company?

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

Mr. GLEN: Before the House rose at six o'clock I was endeavouring to put forth some propositions which I think will have to be answered by the opponents of this measure, to the effect that control of the water in the river for navigation purposes means such control as will maintain the depth of the water in the channels; that the maintenance of the depth of the water in the channels is a matter of, and is entirely dependent upon, the control of the water levels; that the maintenance of the water levels depends entirely upon the control of all the outlets in the dam, no matter what form these outlets take; and I asked was it not a fact that hydro-electric power is developed by control and manipulation of the outlets in the dam? Can power be separated from navigation without giving the power company the control of the water which passes through the outlets of the dams, and if not, would the result not be to separate the two, giving the control of navigation to the power company? It seems to me that these questions will have to be answered by the opponents of this measure. If an affirmative answer be given to any of these proposals then the opposition to the bill must necessarily fail. If an affirmative answer be given to any of them there is no justification for the amendment.

Now what is the converse of that position? Does the leader of the opposition, or does the hon. member for Argenteuil (Sir George Perley), argue that the canal of itself is of no value? I hardly think so. Yet if these power sites are given to syndicates who are not obliged to build the canal—and that I presume is the intention of the hon. member for Argenteuil, whatever may be the intention of the leader of the opposition—then the effect of the amendment if passed would mean not only the blotting out of the measure but also the killing of the canal project itself. Is the House prepared at this stage to take such a drastic step?

The promoters of the charter advance a number of reasons why the bill should carry. I do not say anything with regard to the soundness of their arguments, but among the reasons they give are a number which I propose to enumerate and which I think are worthy of some comment directed to those who are opposed to the bill. The promoters of the bill claim that the project will provide a Canadian deep waterway from the great lakes to the sea controlled and operated by Canadians and subject to no treaty rights with any other nation. They claim that it

will develop large quantities of electrical energy from water-powers. That is, I think, indisputable. They claim it will develop the valley of the Ottawa river and make it one of the most desirable industrial areas in Canada, having a sea frontage throughout its length, having transcontinental railway lines passing along it, and equipped with a tremendous supply of cheap hydro-electric energy. They further claim that the project will give to territory contiguous to it overwhelming advantages in the reduction of industrial costs through the cheapness and availability of power, and desirable location from the point of view of lessened transportation rates. They also claim it will reduce the cost of coal to consumers from the central provinces and be the means of opening up a market for Nova Scotia coal as far west as Port Arthur. They claim likewise that it will provide transportation from Port Arthur to the Canadian seaports for the grain of the west seeking markets overseas. If that is so it will, I believe, be of considerable benefit to the producers of the west.

They also claim that transportation by this canal to the seaboard will mean the deflection of a great deal of trade which presently goes to Buffalo. They say that this will mean a saving of time and distance and a considerable diminution in the costs. These and many others are amongst the arguments that are advanced by those who are supporting this bill. As I have already said, I have no knowledge of the soundness of these arguments; but so far as I have heard, read and been told, no other member of this House is in a position to controvert them. It is not to be expected that any single member could give a comprehensive reply to any of the arguments advanced by the supporters of the bill, and I am satisfied that no statement made by any hon. member across the floor of this House could have as much value and effect as if it were made across the floor of a committee room, because then and there we would have an opportunity of examining experts and other witnesses who might be called for or against this bill and of being seized of the actual facts to enable us to arrive at proper conclusions.

We are faced with this proposition, that without a knowledge of the facts, we are asked to condemn a measure which has been before this House at different times over a period of so many years with frequent renewals, when the principle of the bill which is spoken of in the amendment must necessarily have been discussed. This proposition which may have such tremendous and far-reaching potentialities we are also asked to condemn on the bare negative statements made by the leader of the opposition, and to leave these power rights about which there is so much controversy, where? It has been said and repeated in the press time and again that the people of Ontario, through Premier Ferguson, have taken the position that they are out for public ownership. There are many of us in the same position as Premier Ferguson, but sometimes one should clean one's own doorstep before advising somebody else what to do.

I do not give this with any degree of authority of my own, but I am told, as a good many members have been told through the gossip of the lobbies and elsewhere, that this same province and government of Ontario have militated against the principle of public ownership. The hon. member for Toronto Northwest (Mr. Church) was condemning on that ground the Gatineau Power Company contract. What are the facts? I have been told that the fact is that the Ontario government through the Ontario hydro have contracted to buy from the Gatineau Power Company 260,000 horse-power for thirty years at $15 per horse-power. That is a contract to put into the treasury of the Gatineau Power Company nearly $4,000,000 per annum for thirty years, and is a security to that company in the guaranteeing of its bonds. What does this mean? Is this public ownership? I would say certainly not, and when I refer to the fact that anyone who demands cleanliness of house should clean his own doorstep first, it might be well for the people of Ontario to consider that matter before enunciating a policy of public ownership. Is it not a fact that this may account for a good deal of the opposition that is coming to this measure, namely, that a number of hon. members on the other side of the House are anxious to get rid of the Georgian bay canal project in order that the Ontario hydro may guarantee the bonds of a number of privately-owned power companies? Perhaps that is the nigger in the woodpile, as it is often called, but I would like to challenge anyone to find one iota of public ownership in the planks of the Conservative party. I have not found it nor have we heard it enunciated on the floor of this House during this debate.

Those on the other side ask us to drop a proposal which may mean the construction of a waterway without cost to the Dominion, and they do this on the ipse dixit only of those interested and therefore prejudiced. That is not sufficient. I am taking the position that is not sufficient for me. The other day I saw in the Ottawa Citizen an editorial addressed to the Liberal-Progressives of this House among whom I include myself,

stating that the members of this group will need to watch their step carefully. It intimated that because of the vote which took place on the adjournment last week, when we voted with the Liberal party on this side of the House for a continuation of the debate, we had not an open mind in the subject. Let me assure the House that for that very reason, the open mind, are we concerned with this bill going to committee. We are not prepared to vote on the measure because of the negative arguments advanced. We prefer, if you like, to put the matter in this way, to Sifton the evidence rather than to be a party to the Holt-up that is being consummated in this House at the present moment.

Only to-day there is in that same newspaper a further editorial, most unfair in its terms, wholly contradictory of the argument that was submitted by the hon. member for Portage la Prairie (Mr. McPherson). I know him, and probably when the Citizen editorial writer gets to know him as well as I do, he will realize that the hon. member is not likely to become a Richard Yea and Nay, as is the effect of the amendment moved from the other side of the House, but he is willing to listen to and accept, if necessary, sound and solid reasons why he should vote otherwise.

Let me state as emphatically as I know how, and as the rules of this House will permit, that we propose, so far as lies in our power, to see that, if and when this bill goes to the committee, first of all the paramount interests and rights of Canada shall be adequately protected and safeguarded. We will also endeavour, as far as in us lies, to see that the rights of present and future citizens of Canada are not violated or infringed upon by the terms of this charter. This we are satisfied can only be done in committee, when all parties interested, those for and against, including any of the newspapers that like to take the opportunity, shall be given the opportunity to give evidence on the facts. Then, when the data has been collected and analysed, we shall be in a position to decide between the conflicting interests in this proposition, and we shall be able to vote without the dictation of any newspaper writer, just as freely and as conscientiously as he penned his remarks. What we want are the facts. No declaration such as was called for by the hon. member for Toronto Northwest (Mr. Church) from the government will be of any value to us now. It may be of considerable value, after the evidence has been collected and analysed, for the government to give us a line and a lead, but, Mr. Speaker, I think the members of this House can also make up their own minds after they have got the facts.

Let me say that we are not satisfied with the terms of the charter any more than any of the other hon. members of this House. It may need revision to suit these present day conditions that the hon. member for Argenteuil (Sir George Perley) spoke of, but if it does need alteration, that alteration cannot be made on the floor of this House, because there has been no evidence adduced by a single member which would lead one to alter the terms of the contract. But on the floor of the committee room, where we have the opportunity, we can amend that charter and it can then come back to the House as amended. I do not think for one moment that the leader of the opposition is likely to say that the committee will not have the right to change the charter. That at all events is not the customary, acknowledged practice. There have been government measures in the past which have been discussed on the floor of this House pro and con in a most embittered fashion, and have been sent to the committee after a vote, and from the committee, after further discussion, they have come back to the floor of this House, not with the recommendation of the committee, but with an adverse report. That I think happened in the case of the Petersen contract measure of two years ago.

Mr. ADSHEAD: The Petersen measure was a government bill. Does my hon. friend dispute the statement of the hon. leader of the opposition that the carrying of the second reading necessarily involves approval of the principle of the bill?

Mr. GLEN: The Petersen contract measure was a government measure. This is a private measure. The question of the principle of the bill, of which so much is made, need not necessarily affect the details of the bill when it comes from the committee, and the mere affirmation of any principle, however far-reaching it may be, does not affect the actual details upon which we shall base a decision. Upon that ground I am resting. We are not affirming the principle of the bill, but we are asking that the bill shall go to the committee in order that we shall know what is the principle in the bill, for we do not know it yet. Then, when we know the principle of the bill, as we shall know it in committee, we shall know what are the details and terms of the bill, and decide accordingly.

In conclusion, Mr. Speaker, it is not, I think intended, nor can it be established, that

the ultimate powers of this House can be abridged in any way by the report of the committee. We can only be bound by the registered vote given in this House when the ultimate discussion takes place. That is the position I take, and that is the reason why I shall oppose the amendment. I view the proposed amendment unfavourably. I cannot rid myself of the thought that it does not represent a policy, but is simply an evasion. The party which gave the extension of the Carillon lease were giving then expression to their viewpoint, and the object of the amendment is simply to embarrass and confuse. I have hopes that in committee this charter may develop and lead to a satisfactory conclusion of what is undoubtedly a question of first-rate magnitude. We ask, and I think the people of Canada are entitled to ask, the exact meaning of this whole issue, the reason for the opposition, the reason for this measure. That cannot be obtained on the floor of this House. It can only be obtained in the committee when the opposing interests are confronted with each other, and for that reason it seems to me the proper and the only course is to send the bill to the committee. I shall therefore oppose the amendment.

Mr. JOHN EVANS (Rosetown): Mr. Speaker, I do not intend to speak very long, but I think I would be derelict in my duty did I not enunciate my principles on this measure, which to my mind involves one of the greatest questions that has come before the House since I have been a member.

The question of government ownership of public utilities is a matter of grave concern to this country at this time; in fact, I think it is the deciding point in the welfare of the people for all time to come with regard to cheap power for industry and domestic purposes. When the charter was first granted some thirty-three years ago, I do not suppose that the power question was as acute as it is now; it was not considered of as much importance as it is to-day.

I contend, Mr. Speaker, that no measure should be enacted by this House until the people's rights in their own natural resources of any kind whatsoever and in any part of the country whatsoever have been fully protected.

In answer to my hon. friend from Marquette (Mr. Glen) I beg to say that no committee can ameliorate the evils of private ownership of public utilities, and no matter how much this bill may be amended or brought into line with his ideas, the evils of private ownership of public utilities will remain for the people to pay for in all the years to come. I am opposed to any private concern constructing even the canal, beginning at Georgian bay and ending at the Ottawa river. That is a public utility in itself, and should not pass into private hands. For that reason I opposed the other day a charter to construct a tunnel between Windsor and Detroit. That is a public utility, and it should not pass into private hands.

It is my opinion that were it not for the power possibilities on the Ottawa river to-day, this question would not be a subject for discussion in the House at this time. When the hon. member for North York (Mr. Lennox) was speaking some days ago, he quoted from an interview which Sir Clifford Sifton gave to the Toronto Star, and he expressed his indignation at certain men who seemed to think they owned Canada, and who sought to control the government for their own particular benefit. I am quite in accord with him. Ever since confederation it has seemed to be the object of certain Canadians, who claim also to have a monopoly of patriotism, to secure for themselves projects by which later on they can bleed the people white of their earnings through the operation of public utilities established on the credit of the country, which is based really on the earnings of the working class. The project under consideration is another scheme that links up the big investor with the politicians in this House, all designed to bleed the public. There is no object in granting this charter other than to secure the earnings of the people, and the people are misled into believing that their interests are looked after by their representatives in this House, while franchises for the creation of public utilities fall continually into private hands. The public press of the country is divided on the question, but I think it can be said that most of the press of the country belonging to the politicians and the big interests here is endeavouring to so dope the minds of the people at this time with false statements about prosperity and patriotism as to render public opinion silent on these matters, while the robbery is going on.

One would have thought it impossible, indeed, it did seem to me impossible, that a bill of this kind could be presented to the Canadian parliament looking to override what seems to me to be the exclusive rights of Ontario and Quebec. By what right can any company lay claim to the power rights on the Ottawa river? I say again that these men who think they control one or other of the political parties in this House presume to control the Dominion. Indeed, Sir, it has seemed for a long time past as though some

people believed that this parliament existed for no other purpose than to expropriate the rights of the people and make a safe getaway for those who receive them into their hands. Only last year a measure passed through this House which alienated a certain right of a section of the people, and to-day it is law. I am referring now to vested rights which certain companies held many years ago in private elevators. As far back as 1904 the organized farmers of western Canada advocated the operation of government-owned elevators. As soon as we found that the government would not take over the monopoly we sought to do that work ourselves, and now that the government has seen that we are on the job in this matter, through perfect coöperation, or as perfect as it is possible to bring it at the time, they deprive us even of the right of shipping our own grain to the terminals which we have established out of our own earnings. We are everlastingly creating around us a network of vested interests from which we will find it hard in years to come to free ourselves. Indeed, it is an amazing thing to me—and I say it frankly, and I would not speak otherwise on this great question—that those men, some of them in western Canada, who have been there from practically the inception of agriculture west of the great lakes, will favour a monopoly passing into private hands. We have had a case of monopoly in western Canada between the railroads and grain-handling facilities during the last forty years, which one would think would convince any man representing the people from that part of the country that he should never favour in any way or form any great public utility passing into private hands.

From reading some of the papers on this great scheme I gather that about two years ago a company of which Clifford Sifton is a part got control of the charter to construct the Georgian bay canal. Undoubtedly the power is the pivot of the whole scheme on which this right of the people is now asked to be bartered away. Evidently the Tory government last summer favoured another set of interests, among whose names Herbert Holt appears, and to make sure that the hated Grits on the other side could not again accommodate their favourites they passed an order in council giving rights of power development to the Herbert Holt interests and what is known as the Shawinigan Company. Then, since the Liberal government attained power, this right was rescinded by an order in council which has lately been confirmed. To me it has looked so far like a case of political expediency. I do not think either party had the right to do as they did, and I cannot see yet why the rights of the provinces should be overridden in this matter. All waterways and water-powers should be owned and operated by the people, whether they belong to the provinces or to the Dominion. It does not matter which; they should not pass out of the hands of the people, and whether this power belongs to the provinces on each side of the Ottawa or to the Dominion government, I say again there is absolutely no reason for giving rights on that river from which power may be developed until the rights of the people in this great natural resource are forever protected. The attitude of Ontario was freely set out on March 7, by a resolution moved by Premier Ferguson in the provincial legislature, seconded by W. S. Raney, and I will read, if I may, that resolution to the House. It as as follows:

That this House respectfully urges the parliament of Canada not to enact Bill No. 78 of the House of Commons respecting the Montreal, Ottawa and Georgian Bay Company for the reasons hereinafter set forth:

That the bill proposes to renew a charter to authorize the construction of a canal and the development of water-powers on the Ottawa and the French rivers, which said charter has already been in existence for 33 years without any evidence of progress toward the accomplishment of the projected canal;

That the application to parliament is an effort on the part of private promoters to secure through the federal parliament the control and ownership of a great and valuable public utility;

That the water-powers in the Ottawa river in interprovincial waters are the joint property of the provinces of Ontario and Quebec, and that the powers in the French river are wholly situate within Ontario, and are the property of the province of Ontario, and cannot be rightfully legislated upon by the Dominion parliament.

That the development of these powers is essential to the industry and the prosperity of the two provinces of Ontario and Quebec, and the only effect of Federal legislation purporting to vest these powers in a private company will be to retard development, create litigation, and impair the public interest.

That the water-powers of the Ottawa river, so far as they belong to this province, are an essential part of the public development and distribution of power in Ontario, in which the people of this province have already invested upward of $276,000,000;

That this legislative assembly desires to record its most earnest and emphatic protest against the attempt being made, by means of a private bill in the Dominion parliament, to alienate valuable water-powers from the control and ownership of this province, and thereby deprive the people of Ontario of the advantage of one of our greatest natural resources for the benefit and advantage of private promoters;

That the province of Ontario respectfully urges that the rights guaranteed to the provinces under the federal constitution should be at all times respected by the parliament of Canada;

That this House believes that the occasion calls for a strong and conclusive pronouncement against the proposed legislation as being contrary to the spirit and the terms of confederation and prejudicial to the public interest.

For these and other reasons this House directs that copies of this resolution be forwarded to the Prime Minister of Canada and to the speakers of the two houses of parliament of Canada.

I have read this resolution because I think it is imperative that the House should know the stand taken by the government of Ontario. It is certainly the view of the people in Quebec and Ontario that the power rights belong to their provinces and that neither the Holt nor the Sifton interests have the slightest title to a charter involving control of provincial rights. I think it is a healthy sign of the times that so many on the opposition side of this House have declared themselves openly for government ownership and operation of public utilities.

The member for Nipissing (Mr. Lapierre) read telegrams advocating the building of this canal. Well, I say that we do not want to obstruct the construction of such a work. But why anyone would want to see a great public utility of this character in private hands is more than I can understand. If the canal is needed it will be built eventually by the nation itself. This is the natural and reasonable course to follow. In fact I go so far as to say that I believe the Georgian bay canal should have been constructed instead of the Welland canal. But, I repeat, it is the nation's job, it is not something for private interests to exploit. A great public work of this kind belongs to the people, and from the people it should never be alienated.

Recently I received from Washington a paper call "Labour: A National Weekly Newspaper." This paper contains an article by Judson King describing the fight that is going on in the republic to the south between the champions of public ownership and the power magnates for the possession of water-powers. If I were to change slightly the figures and the names of persons and places contained in this article it might be taken as a description of the contest that is proceeding in this House on this bill. Mr. Judson King, referring to the tremendous evil of allowing these natural resources to pass into private hands, says:

What is there in it for the power trust, which caused its lobby, inside and outside Washington, captained by Colonel Josiah Newcombe, New York lawyer, to go to such spectacular extremes in its fight to kill the Boulder Dam bill? Money? Yes. Politics? Yes. The combine is in politics on a national scale as part of its business.

He adds that the Electrical World in its issue of January 2, 1926, estimated that for the year 1925 the price of power in one of the states was 7.5 cents per kilowatt hour, as against 1.65 cents per kilowatt hour for the same service in Ontario under public ownership. To me it is plain that if this scheme is allowed to be developed by private interests the people of Ontario will have to pay, not 1.65 cents per kilowatt hour but three or four times that amount for their power, light and heat. The evils of private ownership and exploitation were never better set out than in this article.

In conclusion, Mr. Speaker, I would repeat that this House has no right to override the wishes of the people of the provinces concerned, most of whom and the majority of whose newspapers are alive to the situation. In this connection allow me to read a paragraph from the Cochrane Northland Post, which was quoted by the hon. member for Portage la Prairie (Mr. McPherson) last week. Why he read it I do not know, because it contradicted absolutely all that he said on that occasion. This is the paragraph to which I refer:

It seems inconceivable that the government should have given away these natural resources belonging in the last end to the people, to private corporations for the purpose of exploiting these very people to whom such powers should belong, and, who live in the very shadow of their magnificence. As a matter of fact we feel sure that the government has no intention of permitting such big stick methods.

Premier Ferguson gave an intimation to a recent delegation from the northern Ontario associated boards of trade that in the leasing of lands and water-powers, the people's interest had been fully safeguarded and that the big corporations must watch their steps and live up to conditions exacted at the time of such leases being granted and that he would see that they do it.

In regard to all utilities of a public nature this nation should now look forward to the time of coöperative public ownership, so that services may be rendered in the most economical manner and as cheaply as possible to the public. I have enunciated this principle, with some force I hope, for many years. In western Canada we have talked about the public ownership of public utilities, and in fact this policy was one of the main planks of the platform on which I was elected, as it was of the platform on which all those sitting on the other side as Liberal Progressives

were returned to this parliament. I trust that those hon. gentlemen will yet deem it their duty to the people to stand firmly on this one principle at least. Public ownership is the natural thing; it is in keeping with the movement of civilization. If we allow this great public utility to pass to-day into private hands we shall be taking a retrograde step and one not worthy of the Canadian people.

Mr. N. M. YOUNG (Toronto Northeast): I lay no claims to powers of oratory or of persuasion such as have been displayed by some hon. members, and particularly by the hon. gentleman from Marquette (Mr. Glen). I do not envy such powers, nor do I need them in arguing a question so fundamental as that of disposing of our natural resources without knowing where they are going or what we are likely to get for them. I had not intended expressing myself on this subject until it became apparent from the comments in the newspapers, in the corridors of this building and in my own constituency that the question is one that is striking deeply into our constitutional fibre. I feel it my duty, however, and I take this opportunity to discharge that duty, of placing myself on record on this vital question, and in doing so I wish to assure the hon. member for Marquette, in reply to a suggestion from him, that this is not a partisan issue. It is not, nor has it been made a party question, at least by hon. members on this side. But when hon. gentlemen opposite inject the partisan element we will certainly dispute the point and disabuse the public of that impression. If any proof is required of the statement that the question is not partisan, so far at any rate as the party which I represent is concerned, I would refer the House to the first page of Hansard of March 9, wherein there appears a resolution passed in the Ontario legislature, moved by Premier Ferguson and seconded by the Hon. Mr. Raney—moved by the premier of the province and seconded by the leader of the Progressive party. If ever we had an example of the lion and the lamb lying down together, we have it in Mr. Ferguson and Mr. Raney agreeing on something. This, I repeat, is not a party issue, and the only reason the hon. member for Marquette made that insinuation was his desire for an opportunity to deliver the most partisan speech which has been made on this question in this House. So far as we are concerned the question is not a party question. But if it is, let the government immediately take all the advantage they can of the fact and, from the party standpoint, kill the bill and go out and proclaim themselves once more the defenders of the poor and the opponents of capitalistic influence.

Let me bring to earth a few of the toy balloons which the hon. member for Marquette has sent up. I do not know exactly what the rules of debate may demand in regard to this question, but certainly the ethics of debate should prevent any hon. member from making insinuations or repeating hearsay on the floor of this House unless he is prepared to disclose the source of his information. The hon. gentleman said—if I took down his words correctly, that Premier Ferguson should clean his own doorstep; and he referred to the Gatineau Power Company, remarking that while Premier Ferguson was outwardly an exponent of public ownership he was at the same time filling the coffers of the company. Let me assure the House that the only reason the Ontario Hydro Electric Commission is buying power from the Gatineau company is the fact that the power from the Ottawa river is not available because of this charter. We must have power, and two years ago we got to the extremity of being obliged to consider steam development. This power we are getting from the Gatineau is obtained at a reasonable rate which suits us, and the contract is not, Mr. Speaker, like the contract which this bill proposes, an interminable one. It is a contract which is convenient to us.

The hon. member declared that he wanted to keep an open mind on the question, and he was anxious to have the bill go to the committee so that its details might be discussed. May I point out that we are now discussing, not the details, but the principle of the bill, and if the principle is wrong, the details ought not to come before this House for consideration. My hon. friend may think he has an open mind, but there are none so blind as those who will not see. This afternoon he referred to a member on this side as being either dumb or dense. Well, the hardest man to convince is the great talker but poor listener, because if he never listens he can never change his point of view. The hon. member made an extensive apology for or explanation of the stand he was taking on the question. I would refer him to a maxim of Napoleon, that the best defensive is a strong offensive, and to a French saying which, if I translate it correctly, is this that he who excuses himself accuses himself. The hon. member has a prejudged opinion; but he has a duty to perform and I compliment him on the glib way in which he put forward his arguments. We are not concerned, however, with half truths; we want whole truths, and when we discuss a question so vital as this surely political prejudices and party advant-

ages should be carefully considered before they are allowed to override the public weal.

This is not a local issue; it is national in its scope, as representing a conflict of jurisdiction and a possible encroachment on provincial rights. A matter of provincial rights affects every province in the Dominion, and this particular question relates in its local application to two provinces which cannot be ignored—as we can well understand from a reading of our history—particularly if the factor of politics is to be considered.

As my hon. leader (Mr. Guthrie) has said, this is the time to settle the question of principle, and if the principle is wrong the House has no right to send the bill to the committee. The details of a bill which is wrong in principle should not be explored because anything which is wrong ab initio cannot be remedied. Of the principles involved, Mr. Speaker, I propose to discuss, and discuss briefly only, the most salient; and as far as possible I shall avoid going over ground that has been covered by others. At this stage of the debate most of the thunder has been stolen, but if it is my privilege to bring up a new point, something that might have some effect, if not on hon. gentlemen opposite, at least on the counsel for the public—the press and on the public itself—I shall consider that I have contributed something worth while to the discussion.

The first principle I lay down is that this is a public measure which should not be concealed in a private bill; or if it becomes apparent that the tentacles of the bill reach out and injure public interests, then the bill ceases to be in its character a private measure. I do not expect hon. members opposite or hon. members on this side to take my word for that. My respected leader the other night referred to May as authority as to the proper time to attack the principle of this bill. May I draw the attention, Sir, of hon. members opposite to Bourinot's Manual of the Constitutional History of Canada? I quote first from page 177:

> It is the duty of the government—

Not a private member.

> —to initiate or promote legislation on every large question of public policy which requires attention at the hands of the legislature.

Now, reading from the next page:

> If the House should press on their attention a particular measure, they—

That is the government.

> —must be prepared to give it full consideration and assume ministerial responsibility for its passage or rejection. They must on all occasions have a policy on every question of public interest.—

This is Bourinot's statement, not mine.

> —and cannot evade it if they wish to retain the confidence of parliament and of the country. As a rule, private members perform a useful public duty in bringing up measures which illustrate public sentiment in various directions. Parliament is essentially a deliberative body, and its not least important function is to prepare the public mind for useful legislation and to give it effect at the earliest possible moment. Private members consequently can materially assist the government by their suggestions for the amendment of the law.

Now will hon. members pay attention to this; I am still reading from Bourinot:

> It would, however, be an evasion of the sound principle of ministerial responsibility if a government should attempt, by means of purely abstract resolutions or by the agency of select committees, to obtain from parliament the enunciation of the principles that should guide them in maturing a measure which imperatively demands legislation at their hands. It is their duty to gauge public opinion on every subject from the utterances of public men and of the public press, and lay down the main features of the policy that should be adopted.

And, Sir, turning to the next page, namely page 180, here is something that is, I think, entirely directed to the point at issue and to this particular bill, and again I am quoting from Bourinot:

> It is the special duty of the government as the responsible leaders of legislation and the chosen guardians of the public interests in parliament, to watch carefully the progress of private legislation, and see that it does not in any way interfere with the policy of the ministry or the statutory law in reference to the public lands, railways, canals, public works, and such other interests as are entrusted to the Dominion authorities.

Sir, is there anything more convincing than that? I may not speak with the authority of some of the older members of this House but I speak with the authority of Bourinot and I think that in the face of this obiter dicta the government is forced to take up the cudgels and stand or fall on the question of this bill, affecting as it does so vitally the public interests.

I would, Sir, refer to another authority and it is the only newspaper from which I shall quote. This is again the Toronto Globe, and it has the advantage of being to-day's issue and is an illustration of the final press reaction to this debate. I quote, Sir, from the first column of the editorial page as follows:

> Hon. Hugh Guthrie's amendment to the Georgian bay canal bill has apparently put the onus on the government to declare itself. He has raised a point which the government itself should have seized and acted upon before being placed on the defensive. The silence of the ministry on such an important question has been almost inexplicable, and certainly disturb-

ing. The proposal to extend the charter of the Georgian Bay Campany comes in a private bill, but it has been introduced by a Liberal member, and its benefactors are conspicuous supporters of the Liberal party. Rightly or wrongly, an impression has gone abroad that the government would not be unwilling to see the bill passed and the water-powers of the Ottawa and French rivers handed over to these interests. Failure of any members of the ministry to take part in the debate on the numerous occasions when the measure has been up has served to strengthen this conviction. It is time the country knew where the government stands. It should now learn.

I am leaving out the next paragraph which is a repetition and a quotation, but which accentuates that statement, and I go on to the last two paragraphs, which read:

Surely this is too grave a matter to be bandied about in a private bill. If a government has any jurisdiction, it is to safeguard the people's interests. But government spokesmen, so far, have had nothing to say, and the silence is ominous. Has the Ottawa Journal hit the point? "Since the commencement of the debate men of all parties have spoken" says this paper. But a great silence has hung over the ministerial benches. Those voluble gentlemen who on Tuesday night massed in verbal defense of an expenditure of $12,000 for a post office in a 500 population hamlet in Prince Edward island, sit like a bed of oysters when this canal charter comes up. Why? Has the government no mind in the matter? Or is it afraid to speak its mind? Can it be that the presence of Mr. Harry Sifton in the lobbies and in the galleries has paralyzed its tongue?

Having a clear majority, the government is in a position to kill legislation not in the public interests. It will have to assume responsibility or take credit anyway for such disposition as is made of this measure if it comes to a vote. It might as well have made its position clear in the debate. If the bill gets second reading it will mean virtually that the government approves of the principle of giving away public power rights. Mr. Guthrie has done right in endeavouring to focus attention on this principle. It is to be hoped he is able to put the government on record, and, for the sake of the government, it is to be hoped that record will declare for the public instead of private interests.

That is quoted from another respected authority of hon. members opposite. It answers, to my mind, Mr. Speaker, the final criticism and punctures the toy balloon set up by the hon. member for Marquette (Mr. Glen) when he attempted to prove a contradiction in the attitude of the hon. member for Argenteuil (Sir George Perley). May I say that at that stage of the debate it was felt, just as it is felt to-day that hon. members opposite, were pledged to send this bill to the committee? It was felt that opposition would be useless. But when public opinion rose up in arms it was thought that some hon. members opposite might obey their patriotic instincts instead of their political consciences, and the duty has been forced upon us of indicating public opinion as Bourinot says we should. The hon. member for Argenteuil has not changed his stand. Circumstances have changed since that speech was made, and circumstances have been changed by the tremendous revulsion of public feeling against this measure.

Now, Sir, if this is a proper measure, if it is not really a wolf in sheep's clothing, why cannot we have some utterance from those hon. members present who, on other occasions and in similar matters, have declared themselves in no uncertain terms? The Minister of Railways (Mr. Dunning) not very long ago made an ardent plea in this House for people to keep their hands off the Canadian National railways and leave that public means of transportation alone.

Mr. DUNNING: Hear, hear.

Mr. YOUNG (Toronto): The minister says "hear, hear". No one on this side of the House wants to lay hands on the Canadian National railways. Sir, I ask from that ardent champion of public ownership some suggestion of where he stands—and this project affects his department, the Department of Railways—on the matter of giving away without any pledge in return that is worth the ink it is written in, a million horse-power and four hundred miles on either side for a thousand feet back of the vast lake shore property—if that country becomes popular as a summer resort—or lake shore property if this canal becomes a channel of trade? Where does the minister, as the protector of public ownership, stand on the question of giving away these tremendous resources in power? Where does the Minister of Justice (Mr. Lapointe) stand on a question involving a serious conflict between Dominion and provincial rights?

I do not propose, Mr. Speaker, to weary the House by dilating on this. Some other hon. members have simply said: Let the courts decide that. That is ridiculous, as I will attempt to demonstrate before I leave that part of my argument. The courts long ago decided that point, and it would be almost contempt of court to send back to the courts for their decision the question as to who owns that land in the beds of the streams and what are the respective rights of the provinces and the Dominion. Long before the passage of the Bed of Navigable Waters Act, it was decided by the courts that beds of navigable rivers cannot be private property; that they are owned by the crown in the right of each of the res-

pective provinces, subject only to the paramount right of the Dominion in matters of navigation, and that is only so that the Dominion may see that there is sufficient water for and no obstruction of navigation. If hon. members want any authority for that, let them refer to the Montreal harbour case, and if they want any further authority, any further admission that the provinces have the sole right to these waters except for navigation purposes, to ownership of the beds of the streams and the power that is contained in those waters, I am going to refer—and I do this with great deference—to the words of the Minister of the Interior. I am quoting from page 2194 of Hansard of the 7th April last, where he said:

I wish again to emphasize the fact that we are in entire agreement with the Ontario government.

That is in connection with the development of the St. Lawrence.

There is no dispute about the ownership of the power or the land to the international boundary. If they want to develop, there would be no holdup, so far as the federal government is concerned. I should like to see the hydro development on the Ottawa river; it seems to me there is a great opportunity for such development there.

Hon. members opposite may not respect the decisions of courts on points of law, but I think they should respect the opinion of one who sits in the treasury benches, the Minister of the Interior, and there is no equivocation about this utterance. It is an admission by the government that the power belongs to the province. The power is the property of the province, and it is no more a feature of or incident of navigation than is the bed of the stream. But in face of this, there are certain sections of the bill under discussion which bring up the question and the principle. Shall we arbitrarily ignore the established rights of provinces, and shall we, knowing these rights, force ourselves and those provinces into a welter of litigation. That should not be the well-considered view of this House.

Mr. STEWART (Edmonton): Is my hon. friend through with his argument about my statement? because I should like to refer to it. At least half a dozen hon. members on that side have used it. I wish it to be distinctly understood that I am not taking back a single word of it, but I want to put this idea forward, namely, that the rights of navigation are paramount upon navigable streams.

Mr. YOUNG (Toronto): I fully admit that, and in admitting that, I am not by one iota weakening the argument I made. I am not discussing navigation, and I am not opposing a canal no matter where it may be proposed. I am opposing, as an incident to that canal, the giving away of $100,000,000 of natural resources. I said that certain hon. members opposite made the statement: Leave these rights to the courts. As regards that statement, I would refer hon. members to page 964 of Hansard where the hon. member for Winnipeg South Centre (Mr. Thorson), a distinguished legal luminary, said:

We have courts properly constituted and competent to decide questions of this sort. If Canada has no jurisdiction in the matter of granting this charter, then, I submit, Canada can do itself no harm in granting it.

Although we have no jurisdiction, we shall still go ahead and let some poor unfortunate province or person fight us to the court of last resort in order to obtain the rights which are now granted to them. The same comment was made by the hon. member for Portage la Prairie (Mr. McPherson) and any hon. member who is interested in checking up my statement will find his remarks on page 1013 of Hansard of this year at the bottom of the first column. At page 1135, there is an unfortunate remark in the statement of the hon. member for Portage la Prairie, a remark which gives us the key-note for the whole address, an address for which I was sorry to hear he was severely castigated this morning in the Citizen. He said:

While a great deal of interest is taken by others in the power project, personally I have no interest in it.

An hon. member opposite has no interest in 1,000,000 horsepower. Any hon. member arguing from that viewpoint cannot persuade a single member of this House.

If hon. members can adopt that legal premise—and they do not have to take my authority for it, because the Minister of the Interior has been good enough to confirm it,—I want to refer to three sections of the act containing the charter which, as a matter of principle, we are to-day called upon to renew. By section 8 (c) the company can enter upon and take such lands as are necessary. There are other restrictions. But may I say that this government has no power to give any company the right which can be given only by a provincial authority. True, the Dominion can expropriate; but is it the intention of this government to pass on to a private company, without any assurance of fair play, the right to expropriate lands of the people of Ontario and Quebec along that river? Where the crown expropriates the eternal grace of the crown

modifies and softens the crown's prerogative and ensures fair play to the subject. But is there going to be any fair play from such a company as this? Not only is that provision illegal, ultra vires, but it is unfair. May I refer to section 5 of the amending act of 1912 which replaces the former section 17 of the original act? This is 1912, 2 George V, chapter 123, section 5 of which states that the Crown has power to—

(g) Produce, lease and supply, or otherwise dispose of surplus hydraulic, electric and other kinds of power developed in connection with and for the purposes of the works hereby authorized, the rates or prices at or for which such hydraulic and electric power may be disposed of by the company to be fixed or determined by the Board of Railway Commissioners for Canada in accordance with the provisions of section 360-A of the Railway Act.

The Minister of the Interior says that they lay no claim to that power, and yet in this section of the act which we are asked to renew, I find this provision. That is, knowing we have no power, as is admitted by the Minister of the Interior and as has been decided by the courts, we are going to authorize a company by a Dominion charter to produce, lease and supply, or otherwise dispose of hydraulic and electric power, the property of the province.

If there is a rank injustice in this bill, Sir, —and this again is a matter of principle—I draw the attention of the House to section 17 which reads:

If any lock, canal, dam, slide. boom, bridge or other work the property of the government of Canada, and whether now in their possession or leased to any corporation or person, is required by the company for the purposes of its undertaking, the company may, with the consent of the governor in council, and upon such terms as may be agreed upon between the company and the government, take such lock, canal, dam, slide, boom, bridge or other work for the purposes of its undertaking.

Is there any more successful way of stopping the governments of Ontario and Quebec or their respective power commissions, as long as this legislation is on the statute book, from doing a tittle of work in the way of development of power? Under this section of the act if the Hydro Electric Power Commission of Ontario builds or acquires a dam or power plant, on the waterway, the day after it can be taken over by the Montreal, Ottawa and Georgian Bay Canal Company at a price to be fixed between the company and the government. Is there any more successful way, Mr. Speaker, of holding up the power commissions of both these provinces for a high price than to perpetuate the handicaps which prevent them from developing the power which the people of these provinces so badly need? I say it is a scandalous piece of legislation. However, the provinces have protested, and protested in no uncertain terms, and I say that to proceed with this legislation is a sheer and callous overriding of provincial rights. Shall we, as a matter of principle, and it is principle we are dealing with, ignore the rights of these provinces? This is not a hard-boiled business proposition between the ministers of the crown of the Dominion and of the provinces. This is a matter of the welfare of people on the farms and in the cities, a matter of whether this company or the people are going to be protected, a matter as to whether the people are going to have their rights or are to look for their power and light and heat to a company which first demands a profit and which has no sanction of public responsibility.

There is another factor in this matter. There is an old principle in law that a company in default is not entitled to even the ordinary relief. A company that has been in such colossal default, such extensive and extended default as this one, is not entitled to even the ordinary relief. But here, Mr. Speaker, we have this extraordinary measure being piloted through the House in such an extraordinary fashion, and I say the people of this country require some explanation of that. They require more than an explanation. The only answer they will accept will be an absolute and an immediate killing, as a matter of principle, of this iniquitous bill.

This bill is not according to equity and good conscience. As was said by the hon. member for North York (Mr. Lennox), a constituency formerly represented by the Prime Minister himself, we should view our responsibility in renewing this charter in the light of present day knowledge; that is, we must take the same responsibility as if we were to-day passing, in the light of our present knowledge, the bill of 1894 and all the subsequent amendments. There was some excuse in 1894 for the granting of this charter. There was some excuse then from the constitutional standpoint. We had not then had these points so well decided. There was an excuse then, also, for the matter of power was then negligible. There was an excuse even as late as 1910, for the Ontario Hydro Electric Commission had developed a tremendous amount of power, and there was a fear at that time that power would develop in advance of all our requirements. But, Sir, there came a period of industrial expansion. There came the war and the colossally high price of coal, and had it not been for the Hydro

development, Ontario would have been in a dilemma at that time on account of the shortage of fuel. I say there was an excuse even up until the demand for power become acute to let this matter more or less drift. May I say that on this side of the House protective measures were taken in 1912 and 1913 to see that there should be no renewal of this bill that would prejudicially affect the rights of Ontario and Quebec? I repeat again, that the National Hydro contract to which my hon. friend from Marquette (Mr. Glen) referred, was a contract approved by both the provinces of Ontario and Quebec, a contract in which this company was dependent on the will of the government as to whether it was renewed or not, and that same principle was embodied in the 1912 and 1913 renewals of this charter, but to-day there is not a rider to protect the public interest. I say that during that period when fuel prices were high and industrial development was abnormal, power was the salvation of the homes and industry of the province of Ontario and, I do not doubt, to a great extent of the province of Quebec.

Reference has been made here to the great work of Sir Adam Beck. I say that any reference of that kind is a reference entirely apart from politics. Sir Adam Beck adopted the priesthood of power and set his life apart to that service, and we have in the province of Ontario to-day a monument to his service which will be everlasting, and we in Ontario of both political parties have been pleased that his position has been taken by a man who is also removed from politics, and who was chosen simply for his fitness for the job, Mr. C. A. Magrath. There was nothing partisan in that appointment, and that shows how much we treat as a public utility and a public necessity the development of power in the province of Ontario. But the development of power in Ontario has been held up to such an extent that we have considered the development of electrical energy by means of coal plants. We have been forced to buy power from across the Ottawa river, and to-day industry in this province is being crippled because we have not the power that is readily producible from the natural resources of the Ottawa river and its tributaries, and the only reason that power is not available, and the only reason our business expansion is held up, is because of this infernal charter.

We are asked, Mr. Speaker, to refer this bill to a committee. We are told that there it will be torn limb from limb. But, Mr. Speaker, I believe that the committee bears the same proportion of representation as exists in this House, and if we cannot dispose of this bill here, if the members of this House are not going to judge on matters of principle, how is the same proportion of parties and factions going to get any result in committee, if they ignore principle, when they get down to detail? Supposing this bill is passed by the committee and comes back to this House; we should then have a repetition of this same thing. If that is the case, it is in the power of this government immediately thereafter to pass an act under clause 10 (c) of section 92 of the British North America Act, declaring this to be a work for the general advantage of Canada. It was mentioned in a case in the Supreme court some time ago that if such a declaration were made by this parliament, even a candy store on Sparks street could be declared a work for the general advantage of Canada. That, of course, is ridiculous on the face of it, and in recent decisions I am glad to say that the Privy Council have decided that such declarations do not create as facts, things which did not previously exist as facts. In the Insurance case and in the Industrial Disputes case it was held that parliament could not declare a thing to be a crime if that thing was not in fact a crime, and I would say that any tribunal would be very careful before they thought of upsetting a decision of the Privy Council, or a decision of this parliament, that such a work was for the general advantage of Canada. If such a declaratory act was passed, Sir, the provinces would be forever debarred from their rights, even their statutory right to the bed of the stream; they would be debarred from their power and from all the rights which they inherited as the owners, in the right of the crown of the crown lands. If the government is giving its tacit support to this measure and if hon. members of other groups are giving their tacit support to it, the country has nothing else to hope than that they will take this stand all through the piece, and I say now is the time for hon. members who obey their patriotic and not their political consciences to take a stand on the principle of disposing holus bolus of our natural resources.

Another point I wish to make, Mr. Speaker, is this: if we are to develop this power and build this canal, why lose to the public the extra cost represented by the profit to be taken by the owners or promoters of the enterprise? Why should we place our people in the hands of these private interests whereas if it is our own enterprise we can and will protect them? I do not suggest that we should even wait until we can afford to build

a canal if the construction of this canal is decided to be practicable, and if this route is decided to be the best water route. In that case it would be better for us to borrow the money ourselves and finance the project than to give away such a tremendous asset, an asset which after ten years may be three or four times its present value. I say we should not do that. If necessary we could build it as a public enterprise. On the other hand, if we cannot afford it, and if the only reason for building it is to give certain advantages to the western provinces and to the maritimes, we should be better off if we subsidized them to the extent of the interest on the investment we would save, or the interest on the value of the natural resources which we are giving away. That, however, is only one solution. One of the hon. members speaking on the other side to-night said that an alternative was not feasible, that it was poppycock. I say that if the government decided to build this canal they should call in the engineers and the proper authorities in Ontario and in Quebec; that they decide upon a scheme for the development of power which would be compatible with the construction of a proper and efficient canal, and that the canal should not be built by anyone or the power developed by anyone until that scheme should be worked out to the advantage of this government and of both provinces.

Many doubts have been expressed, Mr. Speaker, as to whether this canal will actually be built. It is a confession of our own weakness if in deciding upon the principle of this bill we send it to the committee, notwithstanding the existence of some doubt as to its ever being built; and judging from the experience of the years during which the charter has been in effect and the manner in which the bill is brought before the House, we have reason to doubt not that the power will be developed but that a canal will be built which will be useful for the commerce of this country. I am convinced that we do not realize what we are giving away, looked upon in the light of ten years from now. When this act was passed Sir, we had no conception that we would have a $100,000,000 asset in this project. In connection with a matter which has already been referred to I want to draw an analogy between this project and the loss to the province of Quebec and this Dominion of the district of Labrador. The hon. Minister of Justice (Mr. Lapointe) has stated that he would get the reasons for judgment and that then we may discuss this matter. I hope that in addition to the reasons for judgment the hon. Minister of Justice will get a copy of the argument—although the argument of the case took, I think, about fourteen days. The amount at stake in the Labrador case was $500,000,000. If we had a copy of the argument hon. members could inform themselves as to how this country lost that sum. If my recollection of the report of the judgment is correct, we lost it because of careless legislation in 1825 and careless map-making in 1874. I say we lost the whole of Labrador on account of legislative and administrative neglect, and Mr. Speaker, we are going to lose control of the Ottawa river and all its vast resources on account of the same administrative and legislative neglect if we do not kill this bill. To further complete that picture, may I say as to power that on the Hamilton river in Labrador there is one direct fall of three hundred feet, another chute with a fall developed at one point of two hundred and eighty feet on that river and all its tributaries. We have also lost there, in 110,000 square miles, 60,000 square miles of the best of timber areas, and we lost it, I repeat, because of legislative and administrative neglect. One lesson of that kind should be enough for the province of Quebec and the Dominion of Canada.

There is a suggestion that this scheme is not practical. I do not wish to make statements based on hearsay, but I am going to refer to a statement which appeared in a good Liberal paper. When I said I was only quoting from one newspaper I overlooked this quotation, which is really a quotation from the report of the Department of Public Works. The Toronto Star has always been a good Liberal paper, and is considered, except at election times, to be careful in its utterances. I am quoting from the Star of March 12, and the quotation in the Star, as I say is taken from a report of the Department of Public Works issued in 1908:

> "The descent from the summit level to Montreal is 659 feet, making the total rise and fall to overcome the divide, a total of 758 feet, the distance from Georgian bay to Montreal is 440 miles, and there are 27 locks on the route (650' x 65' x 22') and the estimate of the cost of the canal was 100 million dollars."

With regard to the question whether or not this is a practical proposition, I call the attention of hon. members to the twenty-seven locks, and also to the comments in this article:

> The captain of a steamer would navigate ten miles of the lakes in preference to one mile on a canal or canalized river.

I read further from the same issue of the Toronto Star as follows:

There is clear sailing over 160 miles on lake Ontario, where steamers run at full speed. The lake run leaves only 210 miles of canal and river, or 230 miles less than the 440 miles of the projected canal.

Long boats, especially when deeply laden, are liable "to take a sheer and run aground or collide with an approaching boat." Difficulties of a light steamer in a canal with a beam wind blowing are mentioned. She must run at high speed in a beam wind, otherwise she will drift down on the lee bank. Delays arise in this way while sister ships are making 10 or 12 miles an hour on the lake.

The last paragraph deals with the engineering practicability of the project, which I am not prepared to discuss, but I give it to the House for what it is worth. The article continues:

The height of land separating the great lakes and the water from that flowing to the Ottawa, requires a summit level from which the canal can be fed east and west. This needs twice as much water as end fed canals like the Welland. It was proposed in 1855 and 1857 to raise the level of lake Nipissing by 16 feet. "At present such a scheme is inadmissible," says the report.

This is the report of the department:

The number of settlements, villages and towns, apart from railway interests, which would be affected are vital objections to it This renders the whole problem of water supply a precarious one. A pumping scheme has been devised as a remedy, and this plan was never tried before on a large scale, such as would be required.

Now, with reference to the practicability of the scheme, if possible I wish to reduce to their proper proportions some of the statements made by hon. members opposite in its favour, because information is valuable only according to its reputability or the source from which it emanates. The hon. member for Winnipeg South Centre (Mr. Thorson) said last week, in the course of his speech in support of this bill which will be found at page 965 of Hansard:

I am told that the Georgian Bay canal route will be shorter than the present all-water route via Lake Erie and the St. Lawrence river by almost 300 miles; I am told that it will be shorter in time by 37 hours, and that it will result in a reduction in freight rates of from three to five cents per bushel.

He should have informed the House that he was taking that statement virtually word for word, from a circular letter which I believe was sent to every hon. member by the secretary of the Montreal, Ottawa and Georgian Bay Canal Company, Mr. George W. Volckman. This gentleman states that the saving in distance between the two routes is 282 miles. It will be observed that the hon. member spoke also of a reduction in time by this proposed route of 37 hours. Compare with this Mr. Volckman's statement on the second page of his letter:

Saving in time of transit via the Georgian bay canal 37 hours.

The hon. gentleman did not tell the House that he was basing his statement on the brief of the very company that is trying to lobby this bill through parliament.

The hon. member for Moose Jaw (Mr. Ross) made a similar mistake and, as I think, also treated this House unfairly. At page 966 of Hansard he stated:

And as freight rates are based to a great extent on the time it takes to carry freight from one point to the other, that fact would naturally make a large saving in the cost of transporting commodities.

Let me set against this a paragraph from page 3 of Mr. Volckman's letter:

It is well known that "time" is the main factor in fixing of rates and that by the same type of vessel the rate will vary directly as the time of transit.

The hon. member with an air of great wisdom quoted this statement holus bolus to the House, but he did not inform us that, as the mouthpiece of this company, he was repeating their whole argument.

Mr. YOUNG (Saskatoon): Does the hon. gentleman suggest that the statements are untrue?

Mr. YOUNG (Toronto): I suggest that these statements should be viewed with grave suspicion, and that if the House is being fed with material supplied by the company seeking a renewal of this charter it should in fairness to hon. members be so stated.

Mr. McMILLAN: Do you know if those statements are untrue?

Mr. ILSLEY: Are the statements correct? That is what we are interested in.

Mr. YOUNG (Toronto): I say they are incorrect, but I cannot prove it any more than you can disprove it. Now I wish to read a further statement made by the hon. member for Moose Jaw in the course of his speech last Monday. It will be found at page 967 of Hansard. He said:

We hear our hon. friends opposite every once in a while saying that we are being bled white because our wheat goes through Buffalo. Now if it cost from two to three cents less to carry that grain through the Georgian bay canal than it would via Buffalo, what would happen?

I find—if this is necessary to clinch my point—that the hon. member is again repeating what is contained on the first page of Mr. Volckman's letter, but without telling us the source

of his argument. This is what the secretary of the Montreal, Ottawa and Georgian Bay Canal Company wrote:

The Georgian bay canal will immediately short-circuit the Buffalo to the seaboard traffic,—

Hon. members can read the remainder of that paragraph for themselves, as no doubt they all have a copy of this circular letter. When we consider that this bill is being sponsored, not by a single member of the treasury bench, but by certain hon. gentlemen who have made only such broad and general statements as those I have quoted, I say it is incumbent on us all to carefully weigh the sound arguments advanced and the facts submitted in support of those arguments by those who are opposed to this bill before we send it on to the railway committee.

I want to call your attention, Mr. Speaker, and that of the House generally to the final joker in this bill. I have said that it is illegal, that it is inequitable, that it is unconscionable, that in a word, it is bad business, whatever it may have been in its original form. I ask hon. members to refer to the concluding paragraph of the last section of the bill:

—if the said canals are not completed and put in operation within the said periods respectively, the powers granted to the company by parliament shall cease and be null and void as respects so much of the said canals and works as then remains uncompleted.

What does that mean? It means that we are being asked to give this company the right to build a power project as part of a chimerical canal scheme, and when it suits their purpose they can say, "Well, you can cancel the contract, but we have the right to retain the works completed." That is what we are asked to decide on to-night as a matter of principle. Will any hon. member opposite say it is fair to send the bill to the railway committee and thus express our adoption of that principle? I say, No, Sir!

There is one other element to be considered. Already we have suffered enough from the loss of our natural resources to our neighbours to the south. As good business men we want to deal with them but in the way most advantageous to ourselves. I submit, Sir, that the passing of this bill simply means that another of our great heritages will be delivered into the lap of the United States. Yet we are sitting in front of our tents with folded hands and allowing our neighbours to walk off with our most treasured resources! This is not a partisan issue, and must not be considered as such by the House. Therefore I appeal to every hon. member and to the government not to transgress provincial rights by adopting the principle of this bill, but to deal with it in this light, of what people will think of our decision twenty years hence. We are not dealing with the people primarily affected as citizens of the provinces, we are dealing with them as citizens of Canada. And we are not dealing with the details of the bill, we are dealing with the rights of the citizens of this Dominion, and it is for this House to decide now as a matter of principle whether we are going to preserve this great asset for the people of Canada or whether we are going to hand it over to a specially privileged corporation.

[Mr. N. M. Young.]

Hon. CHARLES A. DUNNING (Minister of Railways and Canals): Because of the connection of any matter of canalization with the department over which I have the honour to preside, and especially because numerous references have been made from both sides of the House to leases, past or present, which have a bearing upon the subject matter of this debate, I deem it necessary to give to the House, if possible, some accurate information respecting the history of what I might call "The bone of contention", because beyond any question that bone of contention is the Carillon power. There is not a member of the House who is not aware of that fact, nor is there a member who does not know also that the contention for the bone is, at the present time, not between any public ownership bodies, but between two great private interests.

A great deal of misinformation has been placed before the House during this debate, largely, I presume, because the usual method of dealing with a private bill has not been followed. Many of the statements made in the House, if made before the select committee on railways and canals, could have been dealt with and the facts ascertained, if necessary, from witnesses under oath. Instead, however, we are reduced to a debate on the second reading of a private bill, and because of that departure a great deal of inaccurate information is being put on Hansard and sent out through the press to the country.

What is the present position of Carillon? The present position is that a dam and locks exist there, erected by the Department of Railways and Canals, in connection with the navigation of the Ottawa river. As a result of the erection of the present dam by the then government, a head of water was produced, which of course is a source of power. Back in 1913, as was stated by the hon. member for Marquette (Mr. Glen) this afternoon, a lease of the power was granted by the government

of that day to private interests. And the government of 1913, as every hon. member knows, was a Conservative government. The lease was the usual departmental lease, and I am not criticizing the action of that government in granting it, because all through the provinces of Ontario and Quebec, where the Department of Railways and Canals throughout the years has constructed canals, it has been the departmental practice to lease the water-power secured by the creation of every such head of water to anyone who might offer to lease it when it was available. Indeed, I brought down to the House this session and laid on the table, at the request of the hon. member for South Toronto (Mr. Geary), a return showing all the leases presently existant, the rates charged for them, and so forth. Ever since water-power in any form has been used in the provinces of Ontario and Quebec, from the earliest days after confederation, it has been the practice of the Department of Railways and Canals to lease to private parties or to public utility organizations the water-powers so obtained. Along the canals constructed by the department water-powers created by the Dominion in the process of construction have been so disposed of, and this original lease, of 250 horse-power only, was granted in 1913 to the National Hydro Company. We come next to the year 1921, and to the very significant date in that year of November 30. The report of the minister is dated November 30, and great expedition was displayed by council in convening. They met the next day, December 1, and passed an order in council which constituted the first governmental departure on the Ottawa river and canals from the principle of leasing powers created by the Department of Railways and Canals and the adoption of the principle of giving to private enterprise the right to future development of power at these points.

Mr. YOUNG (Toronto): Was not that departure consented to by both provinces of Ontario and Quebec?

Mr. DUNNING: I have no record of such consent from either province in 1921 respecting this lease.

Mr. YOUNG (Toronto): That, I am informed, is the case.

Mr. DUNNING: If my hon. friend will allow this bill to go to the committee it will be possible to bring down all the records of the department. There are a number of significant dates in connection with this matter. For example, I am reminded that December 1, 1921, was just a few days before the election of that year, which I believe was held on December 6. The people of Canada were just then deciding upon a government to carry on the affairs of the country, and upon the eve of the return of a new parliament, this great departure was taken, by these ardent advocates of government ownership, in giving for the first time this considerable concession at Carillon. May I observe that it is estimated that 300,000 horse-power can be developed at Carillon. Figures have been given to the House by various speakers indicating that the whole course of the Ottawa river is capable of producing 1,000,000 horse-power. That, I believe, is the estimate quoted by my hon. friend who last spoke as well as by others. Now, a considerable quantity of that horse-power has already been developed at Chaudiere, while there has been developed 250 horse-power at Carillon. There has been no development at Chats falls. But hon. gentlemen who talk so freely to-day about the great principle of preserving these powers for the use of the public were the very ones who in 1921 were willing to give away, and did actually give away, until the year 2006, 300,000 horse-power of this potential 1,000,000 which is being discussed at the present time. There have been various renewals in between, consequent upon the situation created as a result of the original lease, and we come next to August 26, 1926. Again, there was an election on; there was an election on the fourteenth day of September of that year. And what was done on that occasion?

Mr. KAISER: What do you wish to insinuate? ?

Mr. DUNNING: I am merely making statements of fact; that is all. On August 26, 1926,—and I call attention especially to this fact inasmuch as the mover of the amendment was a member of the government that passed it—an order in council was issued with respect to this matter. We on this side are being accused by inference, in every address delivered opposite, of favouring the giving away of Canada's natural resources to private interests. We are being asked by every speaker what our attitude is as a government. "Insinuation" does someone say? Why every speech made by hon. members opposite has been filled with the insinuation that the members of this government have no concern about the public rights of the people of Canada. An amendment has been moved and what is the wording of it??

The character and object of this bill involve matters of grave national and provincial importance, and are such as to constitute it a measure of public policy which ought not to be dealt with by any private bill.

Hon. gentlemen opposite do not applaud the reading of the amendment. I can well imagine the situation in which they find themselves. This at least is a bill before this parliament. The action taken by hon. gentlemen opposite in August, 1926, and I will describe it in detail in a few moments, was the disposition to a private corporation of no less than 300,000 horse-power of the total developed along the Ottawa river without coming to this parliament or giving this parliament a chance to express its opinion. The lease which I mention—which was executed in 1921 and which established the principle to which I have been referring—had not yet expired. That lease did not expire until the first day of December, 1926. Hon. gentlemen opposite if they had been so concerned with the public weal might at least have awaited the election of a new parliament and allowed the people's representatives so elected to have discussed the lease which did not expire until the first day of December, 1926. But no. Action was taken. On the 26th day of August the lease was extended and a supplement to it was created. I have had that supplement examined and analysed, and this is what it did: It renewed the old lease and added some provisions to it. It reduced the aggregate rental payable to this Dominion under the terms of the former lease by no less than $600,000. That is one thing which it did.

Mr. ROBB: What did the Minister of Finance do?

Mr. BENNETT: Was not the hydro-electric of Ontario a party to that transaction? That was the reason for the change in rental.

Some hon. MEMBERS: Oh, oh.

Mr. DUNNING: I am glad the former Minister of Finance has asked that question. The hydro of Ontario was not a party to that agreement, is not mentioned in that order in council, and there is absolutely no documentary evidence in the Department of Railways that the hydro of Ontario had anything whatsoever to do with it. That is not the only change. Six hundred thousand dollars less revenue to the Dominion over the term of the supplemented lease as compared with the rental receivable under the former lease! That was accomplished by a device which I shall be very glad to go into in detail and bring documentary evidence to prove before the committee, which was the way I expected to be able to deal with what I am now discussing as being the proper way to do it. There was another provision my hon. friend says and that the hydro of Ontario was a party to it.

[Mr. Dunning.]

Mr. BENNETT: And made its own terms.

Mr. DUNNING: I should like my hon. friend to produce the evidence of it, because it is very strange that not a vestige of anything of that sort is on the departmental file.

Mr. BENNETT: What did you do with it?

Some hon. MEMBERS: Oh, oh.

Mr. BENNETT: What did you do with it?

An hon. MEMBER: Take it back.

Mr. DUNNING: Moreover my hon. friend's insinuation compels me now to go further and to say this—that the order in council of August, 1926, was never communicated to the Department of Railways and Canals until this government came into office. The officers—

Mr. BENNETT: A misstatement has been made. The Acting Minister of Railways made a recommendation. Why not be fair about it?

Mr. DUNNING: Of course the Acting Minister of Railways made a recommendation.

Mr. BENNETT: Yet you did not know anything about it.

Mr. DUNNING: No, I say this: the permanent officials of the Department of Railways and Canals were never advised of the contents of this order in council until after this government came into office.

Mr. BENNETT: That is not what the hon. gentleman said.

Mr. DUNNING: That is what I said.

Mr. BENNETT: That is not what he said.

Mr. LAPOINTE: That is what he said.

Mr. BENNETT: What he said was that the Department of Railways had no knowledge of it. I did not contradict that statement. Now he says the permanent officials did not know of it, which is an altogether different thing.

Mr. DUNNING: My hon. friend is really trying to divert me from my argument.

Mr. BENNETT: Not a bit.

Mr. DUNNING: He knows perfectly well that no order in council can pass without the recommendation of a minister of the crown behind it, or at least the recommendation of an acting minister.

Mr. BENNETT: Quite so.

Mr. DUNNING: And when I refer to the Department of Railways itself does any member of this House misunderstand what I mean?

Some hon. MEMBERS: None.

Mr. DUNNING: I meant that the acting minister of that day kept the contents of this order in council, and his recommendation in connection therewith, secret from the officers of his own department until after the election was over.

Mr. BENNETT: Sir Henry Drayton is not here to answer to that accusation.

Some hon. MEMBERS: Order.

Mr. BENNETT: I say that Sir Henry Drayton is not here and cannot reply.

Mr. DUNNING: This constitutes merely one additional reason why we should have a committee and why we should get the facts because they are obtainable. I would call not only the officials of the Department of Railways and Canals but also the Clerk of the Privy Council before such a committee and hear what they have to say in connection with this matter, and I would like to ask my hon. friend—

Mr. BENNETT: What has that got to do with the Georgian bay canal?

Mr. DUNNING: It has a very great deal to do with the amendment now before the House.

Mr. BENNETT: Oh, yes.

Mr. DUNNING: It has a very great deal to do with the amendment now before the House. I think, Mr. Speaker, I have permitted interruptions fairly generously. I know what my hon. friend's motive is of course. It is quite plain and he is very dexterous in the accomplishment of it. He knows I am speaking without a prepared brief before me but just the documents bearing on the case, and it is very easy to divert me from the course I have set for myself.

Mr. BENNETT: I shall not interrupt my hon. friend.

Mr. DUNNING: To come back to the thread of my story: What then was the other changed feature in this order in council, in this new lease? I will read it. Just a few days before the election:

> The minister further recommends that should the company secure the coöperation of either or both the governments of the provinces of Ontario and Quebec in the power phase of the improvement project, and on a basis satisfactory to Your Excellency in Council, one-third of the total rentals shall become payable to each of such coöperating governments, as a credit upon any rentals such provincial governments may exact.

What, pray, does that mean? It means that if this private corporation should by operation of law or otherwise be shown to have to pay a rental to the provinces of Ontario and Quebec this Dominion government would very kindly pay that rental for them so that the terms of the lease and their own profits would not be interfered with thereby. I may say that the lease itself which I have somewhere among my documents carried that idea out in a very peculiar form and illustrates one of the reasons why the present government undertook to cancel the order in council and cancel the lease covered by it. I will come to the action of the present government and the reasons for it in a little while.

In reference again to this question of coöperation with the provincial governments, this is the actual lease agreement in that regard, and after all the lease agreement is what counts:

> And whereas the company has consented to secure forthwith the coöperation of the governments of the provinces of Quebec and Ontario—

The company graciously consented to secure forthwith.

> —on a basis satisfactory to the Governor General in Council in carrying out the development and distribution of the power under applicable provincial laws in order that a dependable source of hydro electric energy may be made available, and it is desirable that the arrangement for payment of the rentals reserved in lease No. 24414 be readjusted to permit the company to be credited with any rentals payable under provincial laws up to but not exceeding in each case, one-third of the total rentals so reserved.

And so on. That is the only item in the lease in question which has any bearing whatsoever upon any possibility of arrangement as between this private interest, called the National hydro and the governments of the provinces of Ontario and Quebec. I would ask any lawyer in the House to examine that.

Mr. BENNETT: I take it that the hon. member will lay it on the table.

Mr. DUNNING: The document has been on the table for weeks. It was placed there in order that information might be obtained by hon. members as to the nature of the document. If that means anything to my hon. friends who sit on the front benches opposite and who are both lawyers, I will say as a layman that this particular section compels that

private corporation to do nothing. It means merely that if they do make some arrangement with the provinces of Ontario and Quebec, then the Dominion government will consent to forego two-thirds of the rentals properly coming to it, in order that the private corporation shall not have to pay the rentals out of its own pocket. It is a guarantee that the profits which the private corporation might expect to receive as a result of this lease, should not be impaired by reason of any litigation which would compel it to pay anything to the provincial government. The Dominion government was made to guarantee to the extent of two-thirds of its own properly receivable rentals in order that the company in question should not have to pay rentals to the provincial governments. That is the interpretation which I put upon it.

Mr. BENNETT: The word is "exact"—what the provinces shall exact.

Mr. GUTHRIE: As of right.

Mr. DUNNING: In other words if the provinces prove that they have the right to collect any rentals from this great, private corporation, the lease says that the private corporation shall not be called upon to pay them. That is exactly what it says. There is no question that is exactly what it means.

Mr. GUTHRIE: That would be because the Dominion had no legal right to collect.

Mr. BENNETT: Any child knows that.

Mr. GUTHRIE: Subject to arrangement with the provinces.

Mr. DUNNING: Very well, but that is not the language of the agreement. Perhaps my hon. friends might go further and tell me whether it was in the interest of the provinces to reduce the aggregate rentals due to the Dominion under the terms of this lease to $600,000 below what the Dominion would have received under the former lease. I am willing to sit down and let them tell me how that would have benefited the provinces.

Mr. BENNETT: The provinces are the judges of that. The Hydro Electric made its own bargain.

Mr. DUNNING: My hon. friend cannot have given this matter any thought.

Mr. BENNETT: We shall see presently. He knows more about it than my hon. friend does.

[Mr. Dunning.]

Mr. DUNNING: Apart altogether from the feature which I have been discussing of rentals which are due or which might prove to be due to the provinces, the general terms of the rentals were reduced by an aggregate of $600,000 over the period of the lease.

Mr. BENNETT: Because they had to be.

Mr. DUNNING: Because they had to be, my hon. friend says. It is astonishing that the government of to-day has not in its possession the information and the tentative agreement which my hon. friends opposite are referring to every few moments. We have not got them. What did we do? We looked the matter over and decided that it was a fairly big thing for a government to undertake such an agreement on the eve of an election. I presume it was in the interest of public ownership, on the eve of an election to dispose of 300,000 out of 1,000,000 horse-power on the Ottawa river until the year 2006 to a private corporation, and to keep the matter secret, not to tell the public of Canada about it during the election. Perhaps my hon. friend would like to get up and say why it was kept secret from the people of Canada.

Mr. BENNETT: Why does my hon. friend say that this bargain was made for 2006 when it was made in 1921? The bargain of 1926 was a ratification and extension of it, and a reduction of the rental was brought about because the Ontario Hydro insisted on getting power at a certain price.

Mr. DUNNING: Does my hon. friend mean that it was necessary in the interest of the provinces not to let the people of Canada know anything about it? My hon. friend has advised me that he is going to follow me, and he is at liberty to do so. I would much prefer, instead of listening to what I know will be a clever speech from my hon. friend, to get this whole question of the Ottawa river navigation and power before a special committee of this House so that we may examine witnesses and secure the facts instead of making speeches one against the other.

Mr. BENNETT: Send for Senator McDougald.

Mr. DUNNING: The government reviewed the matter and decided that parliament should have an opportunity to speak with regard to the whole situation. I would ask my hon. friends in that corner who, I know, have been deluded by the professions of hon. gentlemen opposite, to give us at least this credit, that

had it not been for action by this government, this parliament would have had no opportunity of passing upon the disposal of 300,000 of the horse-power dealt with.

Mr. BENNETT: They have not now. This is a Georgian bay canal bill. What a bluff?

Mr. DUNNING: What did we do? We cancelled the contract and cancelled the order in council, but we renewed the 1921 lease which was still in existence until May 1, 1927, the date upon which the Georgian bay charter will expire. Why did we do that? With the deliberate objective of putting this whole matter before parliament, this matter which hon. gentlemen opposite had done secretly ostensibly in the interest of the provinces, as they say. The people of the Dominion were not to know about it. No, this is not a conflict between private and public interests.

Mr. EDWARDS (Frontenac): May I ask my hon. friend a question?

Mr. DUNNING: I am glad of the evidence that I am embarrassing my hon. friends. They always want to interrupt when that is the case.

Mr. EDWARDS (Frontenac): Do I understand my hon. friend does not wish me to ask questions?

Mr. DUNNING: No. Ask a dozen.

Mr. EDWARDS (Frontenac): I understood my hon. friend to say that this action was taken with the deliberate intention of bringing this matter before the House.

Mr. DUNNING: Yes.

Mr. EDWARDS (Frontenac): Was it at the instance of the government that the hon. member for Ottawa introduced this bill?

Mr. DUNNING: Not at all.

Mr. BENNETT: What does it mean?

Mr. DUNNING: This matter would have been brought before the House in any case, and my hon. friend well knows that.

Mr. BENNETT: Deliberate intention of the government!

Mr. DUNNING: Yes, the deliberate intention of the government.

Mr. EDWARDS (Frontenac): Acting through a private member.

Mr. BENNETT: For Sifton.

Mr. DUNNING: Well, Mr. Speaker, we certainly were not acting for the National Hydro or any other private interest in what we did in regard to this matter. It is before parliament, and we knew it was inevitable it should be before parliament.

Mr. BENNETT: You said deliberate intention.

Mr. DUNNING: I will not be discourteous to my hon. friend when he is speaking. I say again, and the Prime Minister will confirm it, that it was the deliberate intention of the government to place this whole matter before parliament. Notice was, of course, given of application for renewal of what is known as the Georgian bay canal charter, and we then knew that the opportunity would in the ordinary course of events come in connection with the bill in committee. The newspapers of the country in discussing the matter made it perfectly plain that there would be a conflict on it, and where in the nature of things did we expect the conflict to come? In the place where hon. gentlemen opposite are afraid to have it, the place where witnesses can be called, the place where the facts can be ascertained, and the place, too, where action in no sense deprives this House of its opportunity to deal with the measure in any way it may deem fit.

Mr. ADSHEAD: May I ask a question? The hon. leader of the opposition made this statement, which I wish the Minister of Railways would dwell upon. He said that if the House allowed a private bill to have its second reading, that committed the House to approval of the principle of the bill.

Mr. DUNNING: That is what the hon. leader of the opposition said, but he knows perfectly well that if the committee reports favourably upon the bill, or if it brings in an amended bill, this House can deal with the committee's report and accept or reject it as it sees fit. He also knows perfectly well that this House can reject the bill on its third reading.

Mr. GUTHRIE: I think the hon. minister—

Mr. DUNNING: May I be permitted, Mr. Speaker, to continue? I sat and listened to my hon. friend posing as the great champion of public ownership, and never interrupted him at all although I knew perfectly well that he was a member of the government that passed this iniquitous order in council last August. Can he not possess his soul in

patience and let me tell my hon. friend who has put the question what opportunities this House will have to kill this bill, if it so desires, after it comes back from the committee, if it does.

In the first place, the bill may be killed in the committee itself. Why, when we pass divorce bills here on the second reading, does any hon. member suppose that many members of this House are agreeing to the principle of divorce? Not at all; they would not do it on any account. They pass the second reading, not because they are in agreement with the principle of divorce, but in order to permit the merits of that particular case to be examined in accordance with the laws of this country. In connection with this particular bill, the committee may kill the bill. It may refuse to report; and if it reports, the House can either accept or reject its report; and on the third reading again, it can reject the bill. Still another opportunity remains to reject the bill on the motion that it do now pass.

If I might be permitted to explain why that argument was advanced by the opposition, it was not in the interests of public ownership at all, or in the interests of the rights of the provinces, but in order to prevent a thorough threshing out of everything connected with this project before a committee of the House where witnesses can be called. I am not speaking in support of the bill. I speak as a member representing a constituency, free to do as I wish in connection with this matter. There may be those on this side of the House who will disagree with me, and they have a perfect right to do so, but I do say with the knowledge I have as the minister of one department intimately concerned with this matter, that because of the very reasons advanced by hon. gentlemen in the far corner of the chamber particularly, we should examine this whole matter. We can still deal in this House with the bill afterwards. There is nothing to prevent it. All the technical objections of my legal friends opposite do not change the fact that this House can deal with the bill either yes or no, after it comes back from the committee. I am very sorry, indeed, myself, to have to make statements on the second reading of the bill, because I have been complaining of the inaccuracy of certain statements made by others. I would much prefer to have my statements examined in a committee of the House where witnesses could be called and the facts ascertained, and if my hon. friends are so positive that I am entirely wrong, why do they not allow this bill to go to the committee where they will have a chance to prove me in the wrong? They have that opportunity, but they refuse to embrace it.

Mr. BENNETT: They have nothing to do with this bill.

Mr. DUNNING: Nothing to do with this bill? Why, Mr. Speaker, I will take a chance even of saying this, that had we not undone the arrangement made with the National Hydro—not with the public Hydro of Ontario; let that be understood—there is not a word in the lease which makes it conditional upon an arrangement with the Hydro of Ontario, not a word, and if we had not cancelled that lease, in all human probability this House would not be discussing this matter at all. It would in all probability have been dealt with as it was on the previous fourteen occasions on which it was before this House.

My hon. friend the leader of the opposition, for whom I have a very great respect—I hope nothing I have said to-night will be taken by him in any personal sense; it was not so intended—says:

> The character and object of this bill involve matters of grave national and provincial importance, and are such as to constitute it a measure of public policy which ought not to be dealt with by any private bill.

May I ask him if those conditions did not obtain in 1924, when the charter was last renewed, if they obtain to-day? Did they not exist in 1921, if they obtain to-day? The hon. gentleman who last spoke (Mr. Young) referred to the shortage of power in Ontario during the last number of years, and spoke of schemes for stand-by plants, and all that sort of thing. Those same conditions existed when this charter was renewed on the last four or five occasions, but apparently they never assumed the position in the minds of hon. gentlemen opposite of being of grave national and provincial importance until this particular occasion, and I submit that they only become of grave national and provincial importance on this occasion because this government had the courage to cancel a lease which was given while an election was in progress to the greatest private interest in Canada. That is why it assumed a position of national importance in the minds of hon. gentlemen opposite. I yield to no man in this House in my desire to see—

Mr. KENNEDY: I understand that the minister is arguing that this is a struggle between two groups of private capitalists, and that the cancellation of the order in council of 1926 eliminated one group.

Mr. DUNNING: No.

Mr. KENNEDY: Will the defeat of this bill eliminate the chances of the other group?

Mr. DUNNING: My hon. friend is wrong in understanding that the other group was eliminated, and the best evidence that it was not is in the House on this occasion. I hold no brief for either, but I am desirous that this House should have the opportunity of getting all the facts in relation to the Ottawa river. I recognize this, speaking as a minister that there must ultimately be developed some arrangement which is satisfactory not only to the Dominion on the one hand, but to the provinces of Ontario and Quebec on the other; there is no question about that. But I do not agree that the Dominion in making such an arrangement requires to surrender any rights which properly and constitutionally belong to the Dominion.

I propose as a member of this House to vote, not for this bill, because this vote is not a vote for or against the bill, in my view; it is a vote either to send the bill to the committee for examination or not to send it to the committee. I am not afraid, Mr. Speaker, to have all the facts come out before the committee on railways and canals, and for that reason I propose to vote for a course which will ensure that all the facts will be placed before that committee.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): I think the House owes a debt of gratitude to the Minister of Railways and Canals (Mr. Dunning) for having cleared away a great deal of the camouflage which has surrounded this bill. I listened intently to his speech and I heard not one word from the Minister of Railways with regard to the navigation project which the bill is supposed to include. The minister admitted, with a great deal of frankness, which I think was very admirable, that the real question is that of the Carillon power, not that of the navigation of the Ottawa river or the building of the Georgian Bay canal. That is what the bill purports to deal with. The minister himself has stated that that was not the question before the House, but rather the question of the Carillon power. He said the real struggle was between two great private groups, but he did not intimate who those groups were. He took it for granted, I think, that all of the members of this House who have been lobbied for the last two or three weeks have some idea at least as to who these groups are.

Mr. McMILLAN: Does the hon. member mean to convey the idea that all hon. members of this House have been lobbied on this question?

Mr. WOODSWORTH: I did not suggest that they had.

Mr. McMILLAN: Yes, the hon. member did.

Mr. WOODSWORTH: I know some of us have been.

An hon. MEMBER: Some do not require it.

Mr. WOODSWORTH: As one who has been lobbied from both sides, and as one who has tried to read some of the elaborate memoranda which have been submitted and which we have heard repeated in this House, I would say that I have come to the conclusion, after studying the matter, that we are facing to-day a much bigger question than we had imagined when the bill was introduced a few weeks ago.

The minister says that this is not a struggle between public and private interests. I say that it is most unfortunate that it is not. Some of us would like to make it such a struggle. It may be that some of us have been deluded, as the minister suggests. It is well known that we are in favour of public ownership. I think the minister does us the credit for believing that we are in favour of public ownership.

Mr. DUNNING: I said so.

Mr. WOODSWORTH: Yes. I do not know that I need to elaborate the statement I have made. I read two of the clauses of the election manifesto of our Labour group on which I was elected to this House. We advocate:

1. First, regaining for the use of the people of this country the natural resources which have been so recklessly alienated by incompetent or venal administration.

Second, public ownership and democratic operation of public utilities; and as soon as possible of essential large scale industry.

I believe that a very large number of farmer members across the country have been elected to advocate public ownership. I noticed recently in one of the papers that the platform of the United Farmers in Manitoba includes:

Public ownership and control of those public utilities which come within the jurisdiction of the province, and operation of such under commissions responsible to the legislature.

They further advocate:

The retention of all water-power sites, that the hydro electric system may be gradually extended for the benefit of the rural as well as urban residents with the least possible discrimination in rates.

We in this corner stand firmly on the principle of public ownership. I think it is

most fortunate that we are told that we cannot make this matter a struggle between public ownership and private ownership, but rather that it must be made a struggle between one set of private interests and another set of private interests. If we can only speak loudly enough in this chamber, it seems to me we may yet bring before the attention of the country at large the underlying struggle that faces us. I do not propose to discuss the matter, but it may be quite true that the Conservatives have been guilty of all that they are accused of by the Minister of Railways, of iniquitous orders in council, and so on, but for the life of me I cannot see how that alters the principle we are dealing with to-day.

The minister pleaded that the bill should go to committee. As I understand the amendment, it would preclude the bill from going to the committee. That is a matter of policy, as to which course we should adopt. As far as I can judge from my experience in this House, the reason for the second reading is largely that we may determine the underlying principle, and we who are firmly convinced that there should be public ownership, it seems to me, have but one course open, and that is to insist upon that principle being established, even at this early stage of the proceedings. I am not very much concerned with what might happen in committee. It may be quite true that it would give the Liberals the opportunity of raking over some of the ill-doing of the Conservatives. I do not know whether that would benefit the country a great deal. It might be that there would be certain modifications introduced into this bill. I should hope so, but the outstanding fact is that we are asked by this bill to grant a charter which was given primarily for navigation purposes, and which the minister says is now not for navigation purposes but to secure power rights which were not considered when the charter was first secured.

It seems to me that a few points that have gradually emerged in the course of the debate are worthy of special mention. While nominally this is a navigation scheme, its claims as such have not been fully established and to-day we are told it is not in reality a navigation scheme. I want to refer to that navigation scheme for a moment or two. In the last thirty years things have radically changed. I have not been one of those who thought the Hudson bay outlet was going to offer a solution of the grain route for western Canada, but the western members have urged the Hudson bay as the route for the western grain. If so, and that route is to be proceeded with, it materially alters the situation with regard to the advisability of establishing still another waterway—the old Georgian bay canal route. Furthermore, we are told that the deepening of the St. Lawrence waterway will be undertaken shortly. With the great American nation anxious to coöperate in that work there is a much better prospect of its being carried out. If so, this too will alter the condition of affairs. Whatever fancy pictures may be painted by the hon. member for Marquette (Mr. Glen), following the lines of the memorandum submitted to us by some of the lobbyists for this bill, I do not think we can imagine every little port along the Ottawa as a sea port. The bill itself provides for the charging of canal tolls, and certainly it is difficult to conceive of such a route being able to compete successfully with routes that are free of tolls.

The fact remains that for over thirty years this project has failed to attract sufficient capital to push it through. Now we are told expressly by the promoters that they are going to rely upon the development of the water-powers at this end of the route to build the stretches that lie further to the west and north. Some time ago I asked what guarantee we had of the completion of this route. There is none whatever apparent in the bill. As far as we can see the only proviso along this line at all is that the government may take over the uncompleted part of the project. That is, after the remunerative part has been secured and developed, and money made out of it, if the navigation scheme does not go through the government may take over the uncompleted canal work.

I submit, Mr. Speaker, that the introduction of this bill is an anachronism. With regard to these great public enterprises we are passing more and more into the sphere of Dominion or provincial ownership and to give an important franchise of this character to a company ostensibly organized for navigation purposes, but now confessedly seeking a renewal of its charter because of the water-power privileges involved, would seem to me absolutely going back on the principles of public morality which are coming to be more fully recognized to-day.

The strongest argument advanced in favour of this bill is that it would check-mate the Holt interests. Well, personally, I should be very glad to check-mate those interests, but I do not see the advantage of setting up another set of interests that may prove equally dangerous to this country. Nor, on the other hand, do I see any ultimate guarantee of

safety by having two rival groups of interests at work. In the natural course of events this would probably mean that ultimately they would combine, as has so frequently happened in the past, and then we would be worse off than ever. We are forced to the conclusion that this is a fight for supremacy between two sets of powerful interests, and that under these circumstances the welfare of the public at large is in grave danger.

The other day I noticed the Electrical World, one of the most reliable of American magazines in this field, estimated in its issue of January 2, 1926, that the grand total of electrical consumption in the United States during 1925 was 47,997,000,000 kilowatt hours, for which was paid $1,389,000,000, or an average of 2.9 cents per kilowatt hour. Commenting on this an American writer points to Ontario as the bright spot on this continent in respect to cheap light, heat and power and states:

> The grand total of Ontario sales was 1,157,000,000 kilowatt hours for which the people paid $19,137,000, or an average of 1.65 per kilowatt hour.
>
> If we Americans had paid Ontario rates we would have saved ourselves in 1925 $600,000,000.

He makes that statement concrete by pointing out that in 1925 in the United States electric current for domestic use cost 7.5 cents per kilowatt hours, while in Ontario it cost only 1.85 cents per kilowatt hour. That is, the Americans paid four times what we were paying in Ontario. Naturally this writer urges public ownership as the remedy for conditions in the United States. And should we at this time go back on the principle of public ownership in the interest of one particular private group, even although it may be used to check-mate another private group—at least, for the time being?

We have had two outstanding examples of the success of public ownership in Canada—the Ontario provincial hydro electric commission and the municipal enterprise in my own city of Winnipeg. These two enterprises point the way to still greater successes in the domain of public ownership. The trouble is that we as a whole are not yet committed to the public ownership and operation of such enterprises. I frankly admit that probably the Minister of Railways and Canals (Mr. Dunning) is right when he says that at the present stage this is not a struggle between public and private ownership. But until we settle this matter of the public ownership of the great natural resources of this country undoubtedly it would be better for us to go slowly and not commit ourselves, as the Minister of Railways says has been done, until the year 2006. We may readily do that in connection with a bill such as this now under discussion.

In passing, let me call attention to a suggestion made the other night by the member for St. Lawrence-St. George (Mr. Cahan). He urged that Canada should buy that portion of Labrador which under the recent judgment of the Privy Council is to pass to Newfoundland. Why? In order that we may retain in Canada the important water powers in that territory. But I would ask the House, supposing we should do that at a cost of millions and millions of dollars, what would we do to-morrow with our purchase? We would turn those powers over to private interests. Now, I would like for a little while to ask the House to consider the larger issues at stake. I think it is pretty generally recognized that we have three or four large companies, or groups of companies, that are trying to secure a monopoly of the water powers of Canada, those groups being the International Paper Company, the Spanish-Abitibi, the Holt group, and lately the Sifton group. About a year ago we had the International Paper Company reaching a long arm into Canada and establishing connections up the Gatineau. The House may remember that at least some of us were strongly opposed to the entrenchment of this great American corporation in this country. It will also be remembered that we viewed with considerable apprehension even the buying of power by the Hydro Electric Commission of Ontario from that company. I do not very often quote the Toronto Telegram, but sometimes we can learn even from papers with which we do not always agree. I think the case was well put by the Telegram in these words:

> The weakness and seriousness of buying power from private companies is two-fold. Rates which the people must pay cover interest and sinking fund charges on the capital investment. The people thus create a debt-free property for a private company instead of for themselves. At the end of the contract period the private company owns the development, paid for by the users of power and light: the consumers, who have paid for the property, however have no right or title in it.

I heard one of the advocates of the present bill say the other day, using the very words, I think, of the prospectus of the company, that this scheme will not cost the people of Canada a cent. That, I say, is an utterly fallacious way of putting it. If the Georgian bay canal were ever built, it would be built entirely by the people by means of higher power rates. That is the very scheme the company themselves propose. The Telegram goes on:

The Gatineau contract will enable the corporation developing this power to create a $45,000,000 debt-free property for private owners out of the revenue secured from the sale of power to the public ownership hydro system in Ontario. This huge sum will be taken out of the pockets of the Ontario public to create a privately owned instead of publicly owned plant. Not only will the company own the plant at the end of the contract period, but they will also be in a position to dictate terms as to a further supply of power. The hydro will be in a position where they will have to pay whatever price is asked, or seek elsewhere for power.

Let me discuss for a moment this International Paper Company, one of those huge concerns whose influence is spreading right across Canada, I understand that the International Paper Company is the largest manufacturer of paper in the world and one of the largest holders of water-power and timber limits in North America. The capacity of its mills is more than twice as great as that of any other on this continent, while its freehold and leasehold timber limits cover more than 12,000,000 acres. It owns and operates twenty-two pulp and paper mills, located in Maine, New Hampshire, Vermont, Massachusetts, New York and Louisiana in the United States, and in the provinces of New Brunswick, Quebec and Ontario in Canada. The chief Canadian subsidiaries of the International Paper Company include the Canadian International Paper Company, the New Brunswick International Paper Company, the Gatineau Paper Company, the St. John River Power Company and the Continental Products of Canada.

Mr. BOURASSA: What about the E. B. Eddy Company?

Mr. WOODSWORTH: I am not sure whether that is one of the subsidiaries of the International or not.

Mr. BENNETT: If it will interest you I may say it is not.

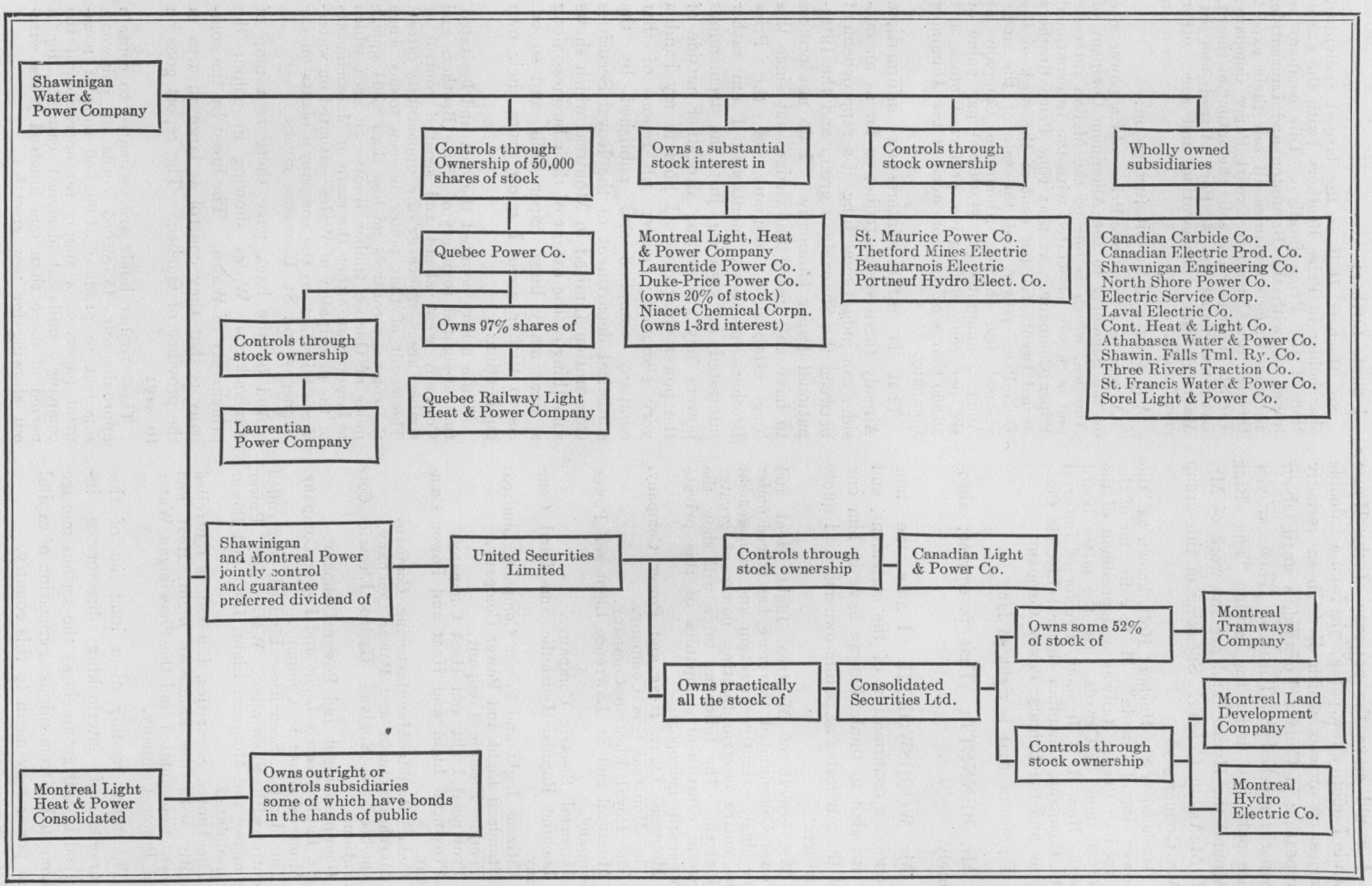
Mr. WOODSWORTH: The hon. member for West Calgary (Mr. Bennett) says it is not; he ought to know. I should like to read in this connection, if the House will bear with me, an article recently published in Forward of Glasgow, Scotland, by Mr. J. T. Walton Newbold in which reference is made to the International Paper Company. The writer says:

This International Paper Company, whilst virtually related to the New York Tribune. . . has for its chairman of its financial committee the chairman of the Chase Bank of New York, the International Agricultural Corporation, which together handled the financing of the great German Potash Syndicate, which in turn links up with some of the biggest German pulp and paper companies. He is also on the board of one of the world's producers of fertilizers, the big packing houses of Armour and Company of Chicago.

In the interlocking directorate, as James McArthur Conner observes, Mr. Newbold might have added the name Curtis, connected with the Saturday Evening Post, the Ladies Home Journal, and so forth.

The fact is that the moment we touch large corporations of this kind we touch some of the most stupendous industrial concerns on the North American continent; and I cannot read the facts which have been placed at the disposal of the House in the last few weeks without feeling that we are mere children when we come to handle these tremendous enterprises, of the magnitude of which very few of us have dreamed.

I have spoken of this great corporation. Now let me discuss briefly the National Hydro-Electric, which secured a lease from the federal government of water-powers on the Carillon section of the Ottawa river. I am not able to prove it, but I presume that every hon. member recognizes that the National Hydro-Electric is very largely controlled by the Holt-Shawinigan group. It might be difficult without taking court proceedings—indeed, it might be difficult even then—to show exactly how this control is exercised, but I unhesitatingly say that when we come to the control of the Carillon site we enter distinctly upon the field of the Holt-Shawinigan concern. Some hon. gentleman may possibly have seen a day or two ago in some of the newspapers—I saw it in Le Droit of March 11—an interesting diagram indicating the relationships which exist between various corporations. I should like to have this diagram appear in Hansard:


Shawinigan Water & Power Company
Controls through Ownership of 50,000 shares of stock
Quebec Power Co.
Controls through stock ownership
Laurentian Power Company
Owns 97% shares of
Quebec Railway Light Heat & Power Company
Owns a substantial stock interest in
Montreal Light, Heat & Power Company
Laurentide Power Co.
Duke-Price Power Co. (owns 20% of stock)
Niacet Chemical Corpn. (owns 1-3rd interest)
Controls through stock ownership
St. Maurice Power Co.
Thetford Mines Electric
Beauharnois Electric
Portneuf Hydro Elect. Co.
Wholly owned subsidiaries
Canadian Carbide Co.
Canadian Electric Prod. Co.
Shawinigan Engineering Co.
North Shore Power Co.
Electric Service Corp.
Laval Electric Co.
Cont. Heat & Light Co.
Athabasca Water & Power Co.
Shawin. Falls Tml. Ry. Co.
Three Rivers Traction Co.
St. Francis Water & Power Co.
Sorel Light & Power Co.
Shawinigan and Montreal Power jointly control and guarantee preferred dividend of
United Securities Limited
Controls through stock ownership
Canadian Light & Power Co.
Owns practically all the stock of
Consolidated Securities Ltd.
Owns some 52% of stock of
Montreal Tramways Company
Controls through stock ownership
Montreal Land Development Company
Montreal Hydro Electric Co.
Montreal Light Heat & Power Consolidated
Owns outright or controls subsidiaries some of which have bonds in the hands of public

I would crave the patience of the House while I quote a few paragraphs from a valuable series of articles which have been recently appearing in Canada Forward, a small labour paper published in Toronto. These articles are published under the caption "The Ring Around the Hydro" and are the work of Mr. J. McArthur Conner. Speaking of this group Mr. Conner says:

Its head is Sir Herbert Holt, known as "the power king of Canada". He is a director of the Canadian Pacific Railway and president of the Royal Bank of Canada. On the latter board is the Hon. R. B. Bennett, director of Imperial Oil Company, Canadian General Electric Company and the Calgary Power Company.

I presume that is right so far.

Mr. BENNETT: That is correct; absolutely.

Mr. WOODSWORTH. I note the hon. member's confirmation of the statement, and I am glad to think that we have in him one of the advocates of public ownership. I quote further:

The growth of Montreal Light, Heat and Power Consolidated, therefore, has placed under one single executive direction and management the entire electric lighting power of greater Montreal. The following table will show the several constituent companies of this private ownership monopoly:

Montreal Light, Heat and Power Company.
The Montreal Gas Company.
The Royal Electric Company.
Montreal and St. Lawrence Light and Power Company.
Imperial Electric Company.
Lachine Rapids Hydraulic and Land Company.
Citizens Light and Power Company, Limited.
Standard Light and Power Company.
Temple Electric Company.
Provincial Light and Heat Company.
Provincial Light and Heat and Power Company.
Cedar Rapids Manufacturing Company.
Merchants Light and Power Company.
Quebec-New England Hydro Electric Corporation.
Dominion Light and Power Company.
St. Pauls Electric Light and Power Company.
Montreal Electric Company.

The United Securities Limited, controlled jointly with Shawinigan Water and Power Company and Montreal Light, Heat and Power Consolidated.

The United Securities, Limited, is controlled jointly with the Montreal Light, Heat and Power Consolidated and the Shawinigan Water and Power Company.

The mere reading of a long list of this character of interlocking directorates involved in this group shows the serious menace which such a tremendous aggregation of capital and power may mean to this country.

I quote further:

Sir Herbert Holt is the largest individual shareholder in Price Brothers (with the exception of the Price family). This company is linked up with the Brompton and Laurentide, as these three companies all sell their export through the Canadian Export Paper Company. The St. Maurice Sales sells the output of the St. Lawrence paper mills, Port Alfred and St. Maurice Valley Corporation and some other small mills.

And then a little bit further on:

A year ago the Duke-Price sold a power site on the Saguenay to the Aluminum Company of America, which is one of the Mellon interests and is closely associated with the International Paper Company. At that time Price Brothers owned twenty-five per cent of the stock of the Duke-Price power and the sale of the undeveloped site to the Aluminum Company of America amounted to $4,090,000 par value of six per cent cumulative preferred stock and 36,800 shares of common stock of the Aluminum Company.

That is rather interesting information. Already there seems to be, so far as an outsider can judge, something of a rapprochement between the Shawinigan group and the International Paper Company. I do not profess to have any inside knowledge, but since this long established company of the Price Brothers has been mentioned I am rather interested in knowing just the tremendous powers they are getting altogether outside of the power company. I hold in my hand a very elaborately gotten up report of that company compiled and published by the statistical department of the Royal Securities Corporation Limited in Montreal which shows something of the extent of their business along a great many lines, paper mills, and so on. As to timber areas I quote from their own publication:

While others counted the cost and hesitated, the far-sighted founders of Price Brothers and Company went ahead and secured control of timber areas wherever the opportunity arose. The result of that policy is seen to-day when the company controls no less than 8,564 square miles of Quebec timber limits—an area which is larger than either the state of Massachusetts or the principality of Wales—situated on watersheds tributary to the company's plants on the Saguenay and St. Lawrence rivers.

And on the back page there is a map of England and Wales showing in colour the principality of Wales. The boast by the company is that they control as large an area in the province of Quebec. The report goes on to say:

These timber lands are estimated to contain approximately 45,782,055 cords of pulpwood, sufficient to produce 31,000,000 tons of newsprint paper, or a supply for operation of the company's mills at designed capacity for a period of more than one hundred years without allowing for new growth.

That is but one illustration of one small constituent or inter-related company of one of these big concerns with which we are dealing to-night. I come back to the article from which I was reading a few minutes ago as contained in Canada Forward, and there is rather an interesting paragraph which perhaps has some political references. I do not know how far this paragraph contains the truth, but I should like to read it, as it was written on January 15, 1927, long before this bill came before the House:

It will thus be seen at a glance interlocking interests behind Sir Herbert Holt. The political expression of these interests in the Dominion House of Commons is Sir George Perley and the Hon. R. B. Bennett, both of whom control the E. B. Eddy Paper Company at Hull. These members are in the same political party as Thomas L. Church, member for Northwest Toronto. It is to this monopoly under the name of the National Electric Corporation whom Howard Ferguson, in a speech in the Massey hall, November 26, 1926, said: "The government had succeeded in negotiating its Gatineau contract and with Premier Taschereau's friendly coöperation it was negotiating a contract for power from Carillon."

It may be as the minister says, that we in this section of the House are utterly deluded, but I would venture to say that it is quite possible that some of the members—the new members—who spoke enthusiastically about this new project may also have been somewhat deluded.

I come to another matter with relation to politics. This time it is provincial politics, and since other members have not hesitated to closely follow memoranda I venture to follow this outline as contained in the articles to which I have referred:

The Shawinigan Water and Power Company has always been strong for the government of Quebec. It can boast of having one of Quebec's most influential citizens as a director, Sir Lomer Gouin, a former Premier of Quebec, a director of the Montreal Light, Heat and Power Consolidated, the Bank of Montreal and the National City Company. Now the National City Company is the creation of the National City Bank of New York which J. T. Walton Newbold—

Former Labour member of the British House, who has recently been studying the interlocking capitalist interests of America.

—tells us: "Was created specially to carry on the investment business and to hold for it and its clients bonds and stocks in companies; was in the orbit of the Standard Oil Company, and in the same sphere as the great loan issuing house of Kuhn, Loeb and Co. This latter house, as its name signifies, had its affiliations more particularly with the German fatherland and to be precise with the very powerful house of M. Warburg and Co., of Hamburg. There was a considerable amount of German money invested in the Canadian Pacific Railway Company which had, of course been sequestrated during the first few years of the war. There was, however, a way whereby this German money could be kept safe from the confiscation, which it was easily understood would be its fate should the Allies win, that was to transfer it over to an American house, there to be held in trust for its original holders.

"That German money in the Canadian Pacific railway to an amount totalling some $145,000,000 was taken over by the National City Company.

"That was the way in which and the reason for which the National City Company entered Montreal and formed, thereafter, jointly with the Bank of Montreal, the National City Company of Canada. It came in as German interests went out."

Mr. BOURASSA: Triumph of democracy.

Mr. WOODSWORTH: I am very glad to have had this bit of information from one who is quite an authority on financial interests in Great Britain and Europe.

Now let me come back to Canada. I should like to impress clearly upon the House, especially upon the western members, who perhaps have not been able as yet to understand so clearly the policy of the province of Quebec, that we will have to reckon upon private interests in that province and the confessed policy of maintaining private interests. Let me give a quotation from an advertisement in the Engineering Journal, of July, 1924, by the Shawinigan Water and Power Company:

The policy of the government of Quebec is to give encouragement and protection to the development of water-powers and the building up of industries dependent thereon through private enterprise, combined with regulation and control of storage waters. The province has constructed engineering works of great magnitude to store flood waters and regulate the flow of various power rivers, measures which have proved successful in a striking degree.

And again:

The most notable enterprise of the (Quebec Stream) Commission has been the construction of the Gouin dam on the St. Maurice river, built by contract under the supervision of the commission's engineers, forming a reservoir covering an area of 300 square miles, with a storage capacity of 160,000,000 cubic feet. Similar schemes have been carried out on the St. Francis and St. Anne de Beaupré rivers and Lake Kenogamis on the Chicoutimi river and on the river Metis. To date the commission has spent on completed works about $3,500,000. On this expenditure the commission receives $300,000 from the power companies for the use of the stored water, to provide interest on capital stock, a sinking fund to redeem the bonds, maintenance, and a small profit to the province.

Let me emphasize the phrase, "a small profit to the province." That is, these enormous expenditures are incurred very largely for the

sake of the industry, in the hope, I presume, that indirectly the industry may profit the people. But I would point out that it is by no means a case of public ownership with all the benefits which public ownership involves. I am not going into the ramifications of these various concerns which have their connections, not only all over Canada and the United States, but in almost every country of Europe. For example, Sir Herbert Holt is a director of the United Securities, and he has lately become associated with Alfred Loewenstein by becoming a director of some of the latter's European hydro-electric enterprises, including the Belguim Sidro Company. Alfred Loewenstein is a well-known banker in Belgium. He has acquired a large interest in Brazilian Traction, Barcelona Hydro Electric, and several other Mexican companies. I could quote at length a number of other connections of this concern. But I want to come back again very close to home, and to point out another of the inter-related questions which force themselves upon us in a consideration of the bearings of the proposal now before the House. Let me quote from the Financial Post of December 10, 1926:

While the re-election of Premier Ferguson in the province of Ontario was joyful news to the "wets" and an additional blow to the "drys," perhaps it has not yet come home to both schools of thought that liquids other than beer and wine were involved in the struggle in that province. The other liquids are of course the water-powers which generate electric power in both provinces.

The election in Ontario means in one sense the dawn of a new era as far as the electrical generation of power is concerned, for in future the electrical projects of "peepul" in Ontario will be carried out hand in hand with the so-called "St. James street" gang; in other words, the large power interests of the province of Quebec; a situation which perhaps may cause Sir Adam Beck to turn in his grave, but which will nevertheless be welcomed by all thoughtful people.

I do not know how long the debate will continue; but I hope, before it is over, my Conservative friends, with whom I have a good deal of sympathy at this time in regard to their resolution, will be able to throw some light on an editorial of this character, and very definitely to assure us that there is no danger that the Hydro Electric of Ontario will be in any way imperilled. We ought to be very sure of that.

I have spoken of two of the large groups that have been bidding for power in Canada. There comes now the third, which has secured this ancient charter and which, under the old scheme of the Georgian bay canal, is attempting to challenge the power of one, if not of two, of these older companies. Mr. Harry Sifton come on the scene very prominently during the last election. He was then a director of the Southern Canada Power Company, Limited. I would like to examine that company for a moment. The Southern Canada Power Company, according to the series of articles from which I have been reading, owns and controls the South Shore Power and Paper Company, Limited, La Cie de Gaz Electricite and Pouvoir, the St. Johns Electric Light Company, Brome Lake Railway and Power Company, Richmond County Electric Company, the Sherbrooke Railway and Power Company, Lennoxville Light and Power Company, Limited, Eastern Falls Power Company, International Electric Company of Vermont. These corporations all operate in the St. Lawrence valley below Montreal. This company too has a number of interlocking relationships with other big corporations Let me read on:

When we examine the directors' board of this huge monopoly we find the name of J. B. Woodyatt, Montreal, as president. He is also vice-president of the Power Corporation of Canada, and a director of the Winnipeg Electric Company.

Let me interject that we in Winnipeg have for years past been carrying on a continuous fight between the city hydro and the Winnipeg Electric Company. We are not uninterested in these great trusts in the east because they directly relate themselves to our struggle in the city of Winnipeg. I proceed:

Another interesting personality on the board is A. J. Nesbitt, President of the Power Corporation of Canada and a director of the Ottawa and Hull Power Company, Limited, and the Canada Northern Power Corporation, Limited. Colonel J. R. Moodie of Hamilton is also on the board. The colonel is well known as a prominent director of the Dominion Power and Transmission Company, Limited. The monopoly is also well represented in parliament by two prominent Liberals in the person of W. R. Baldwin, who is President of the Perth Feldspar and Mining Company, vice-president of the Rouyn Gold Mines, Limited, and a director of the Canadian U.S. Oil and Refining Company—and George Parent, K.C., of the well known firm of Taschereau, Roy, Cannon and Parent. Mr. Parent is president of the Le Soleil Limitee, vice-president Citadel Brick and Paving Company, and director in the St. Maurice Lumber Company and the Quebec Power Company.

Mr. PARENT: I thank the hon. member for the advertising.

Mr. WOODSWORTH (Reading):

The latter company and its subsidiaries are the sole distributors of power for lighting and other industrial purposes in the city of Quebec and surrounding industrial district.

Just one other matter and I have finished. I turn and note that with regard to the present company whose bill is before us:

The directors of the board of Montreal, Ottawa, Georgian Bay has on it many Liberal party friends. Its president is the Hon. N. A. Belcourt, a prominent lawyer, member of the House of Senate and a director of La Sauvegarde Life Insurance Company. Associated with him is another senator, Gerald White of Pembroke. Mr. White has numerous interests and they include the Sterling Development Company of Canada, the Steel Equipment Company of Canada, and W. C. Hughson and Company, Limited.

Mr. Speaker, I have ventured to read some of these lists which have been given us in this valuable series of articles simply because I should like the House and the country to realize the intricate and important character of the problem which we are facing at the present time. It involves essentially, as the Minister of Railways and Canals admits, a struggle between two powerful groups—a struggle for power—and I would say that those who are interested in one or the other company are found here as members of this House, or as members of the Senate. I would say that there are direct connections between this bill and the political parties in the province of Ontario and the political parties in the province of Quebec. The corporations are so powerful that, as I have tried to show, their relationships are not confined to Canada or the United States, but extend to Great Britain and to various countries of Europe. It seems to me, Mr. Speaker, that in facing the problem which is raised by this bill we ought not to lend ourselves to playing the game of either one or the other of these conflicting interests. I would not like by voting down this bill to think that I was playing into the hands of the eastern group of interests; but I have no intention whatever, by voting for a bill of this character, of playing into the hands of the so-called Sifton group of interests. What have we in this House to do with one or the other group?

I submit, Mr. Speaker, that we are facing this great question, as to whether the natural resources of this country shall be owned and controlled by the people in the interests of the people, or whether they shall be given away to these great corporations which sooner or later will undoubtedly be gobbled up by the still greater American trusts to the south of us. That is the problem that we face to-day. I think we would be on safe ground if we maintain that no power right on any of our rivers shall be given away without the consent of the provinces concerned. I do not think we are justified in giving away any right of this character. I know it may be said by some members on the government side that the Dominion has the right over navigable streams, and no one doubts that, but the very minister who put forward this plea said that this was not a case of navigation, but a case of power; and when it comes to a case of power, with all that power involves under modern conditions, we must take no action that will surrender this right to any private corporation. The measure comes before us as a navigation measure, but I have no hesitation under the circumstances in voting against it.

It is a plausible argument to urge that we should withhold our decision until the bill comes back from the committee. That has been said again and again, but I cannot see any reason for that course if one is firmly convinced that we ought not to sacrifice public ownership. The bill is undoubtedly giving a charter to a private company for the development of water-power, and whatever the provincial rights may be in the matter, undoubtedly we ought to-day to stand on guard for the general welfare of the people. That is why we have been elected. Under these circumstances, Mr. Speaker, I have no recourse but to do my best to defeat this bill at this stage and, if it passes this reading, at any other subsequent opportunity that may offer itself.

Mr. GEARY: Mr. Speaker—

Mr. CHEVRIER: As the hour is late, Mr. Speaker, I would move the adjournment of the debate.

Mr. GEARY: Mr. Speaker, I think I had the floor first.

Mr. SPEAKER: Yes.

On motion of Mr. Geary the debate was adjourned.

On motion of Mr. Mackenzie King, the House adjourned at 11.25 p.m.

Tuesday, March 15, 1927

The House met at three o'clock.

PRIVATE BILL

FIRST READING

Bill No. 148, respecting a certain patent owned by Chester Earl Gray and Aage Jensen.—Mr. Jacobs.

CUSTOMS ACT AMENDMENT

Hon. W. D. EULER (Minister of Customs and Excise) moved that the House go into committee at the next sitting to consider the following proposed resolution:

That it is expedient to amend the Customs Act, chapter 48 of the revised statutes, 1906, and to make further provisions for a more adequate enforcement of the act and the prevention of smuggling operations.

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

Motion agreed to.

IMPORTATION OF SCOTCH MINERS

On the Orders of the Day:

Mr. H. B. ADSHEAD (East Calgary): I would like to ask the Minister of Labour or the Minister of Immigration if either has received from Mr. Harrington, Minister of Mines of Nova Scotia, any protest against the immigration of miners from Scotland in connection with the British Empire Steel Corporation. The report states that he is protesting to the British Empire Steel Corporation against the immigration of miners when there was so little work to be done, and also because his department had not been consulted, I presume, by the department here in connection with the immigration of those miners. Is it the policy of the government to consult with provincial officials regarding their needs in immigration matters and have they received any protest from Mr. Harrington, Minister of Mines of Nova Scotia?

Hon. ROBERT FORKE (Minister of Immigration and Colonization): I have received no protest of any kind in regard to the immigration of those miners. I have however been informed that as regards those miners, about whom complaint was made some time ago, their passage has been paid back to the old country, but that two of them have intimated their intention of staying where they are.

Mr. ADSHEAD: Will the minister answer my question relative to the policy of the government in regard to consulting with provincial officials?

Mr. FORKE: We do not do so exactly, although we take every possible precaution to see that no labour field will be flooded with people who cannot secure employment. We find that the provincial governments are quite ready to coöperate with us as far as possible in that respect.

CANADIAN NATIONAL RAILWAYS

REFRIGERATOR CARS FOR SEED POTATOES

On the Orders of the Day:

Mr. A. E. MacLEAN (Prince): I wish to read this telegram and to ask the Minister of Railways a question based thereon:

[Mr. Euler.]

Will you kindly use your influence with railroad officials to have refrigerator cars rushed here for shipment of seed potatoes? Over fifty wanted this station. We have only received two in two weeks. Must have supply quick or will lose heavily through cancelled contracts. February orders not filled yet. Would appreciate very much your coöperation.

This is signed by Simmons and McFarlane of Freetown, Prince Edward Island. Will the Minister of Railways be good enough to take this matter up and to see that cars are rushed there as quickly as possible?

Hon. CHARLES A. DUNNING (Minister of Railways and Canals): I shall, of course, be glad to bring the matter mentioned by my hon. friend to the attention of the management of the Canadian National Railways. I understand that the matter has been the subject of representations previously, and I am sure the railway management is doing its best to cope with the situation, but I shall be pleased to bring the representations of my hon. friend to their attention.

QUESTIONS OF PRIVILEGE

SIR GEORGE PERLEY

On the Orders of the Day.

Sir GEORGE PERLEY (Argenteuil): I rise to a question of privilege. Yesterday evening the hon. member for Winnipeg North Centre (Mr. Woodsworth) read some extracts from a newspaper giving a list of companies and of men who were directors in them, and he referred to this as interlocking interests. This article went on to say:

The political expression of these interests in the Dominion House of Commons is Sir George Perley and the Hon. R. B. Bennett, both of whom control the E. B. Eddy Paper Company at Hull.

Unfortunately for me, I have no interest nor have I ever had any in the E. B. Eddy Company. Further, I am not a director of the E. B. Eddy Company, nor of any other paper company, nor of any other of the power companies in the Dominion.

MR. MCPHERSON

On the Orders of the Day:

Mr. E. A. McPHERSON (Portage la Prairie): I wish to refer to an editorial in yesterday's Ottawa Evening Citizen, under the heading the "Western Members on Trial." I have no complaint to make against the general remarks there made, as apparently it is purely a matter of opinion, and I understand that this paper as a rule is very fair, but there is one statement to which I take exception, and that is this:

Only an inexperienced member would make the mistake of repeating the lobbyist's brief, almost for word, in the House.

I shall not even contest the inexperience; I admit that. But I am in a different position apparently from most members here; I was not consulted and I never saw a brief on behalf either of those favouring the bill or those opposing the bill. I never saw any documents at all except those that were in the House and the original statute and its amendments. I did receive what I understood was a circular letter written on behalf of those who were supporting the bill, but I merely read the title and not a single paragraph beyond. My whole remarks in the House were based upon the act itself. If they happened to coincide with any brief that other hon. gentlemen were using, I can only say that in my judgment they were good arguments, and they have not been replied to.

ENTERPRISE AND YARKER POST-MASTERSHIPS

On the Orders of the Day:

Hon. J. W. EDWARDS (Frontenac-Addington): Mr. Speaker, I desire to call the attention of the Postmaster General (Mr. Veniot) to answers which he gave on February 28th to questions I have put regarding the Enterprise and Yarker post offices. The replies state that the Enterprise postmastership was advertised from the 22nd to the 29th of January last and the Yarker postmastership from the 16th to the 25th of November last. I wish to ask the Postmaster General why these positions have not yet been filled, or will he be good enough to look into the matter?

Hon. P. J. VENIOT (Postmaster General): I could not answer offhand, but I shall be glad to look into the matter.

WAYS AND MEANS

SPECIAL WAR REVENUE ACT, 1915, AMENDMENT

The House in committee of ways and means, Mr. Johnston in the chair.

The CHAIRMAN: The resolution will be found in the Votes and Proceedings of February 17th. It reads as follows:

Resolved, That it is expedient to introduce a measure to amend The Special War Revenue Act, 1915, and to provide:—

1. (i) That the stamp tax on cheques, bills and notes, receipts for money paid by a bank, bills of exchange drawn upon persons outside of Canada according to the tenor of the bills, money orders and travellers' cheques, and post office money orders, shall on and after the first day of July, 1927, be—

Two cents in respect of each such instrument for an amount in excess of ten dollars.

(ii) That on and after the first day of July, 1927, the stamp tax on matches shall be as follows:—

On each package of matches manufactured or sold, three-fourths of one cent for each one hundred matches or fraction of one hundred matches;

On each package containing not more than sixty and not less than thirty matches, three-eighths of one cent per package;

On each package containing less than thirty matches, three-sixteenths of one cent per package.

(iii) That from and after the sixth day of July, 1927, the following stamp taxes be abolished, namely,—

On advances made by a bank, as imposed by paragraphs (c), (d), and (e) of subsection three of section twelve of the said act;

On overdrafts, as imposed by paragraphs (f) and (g) of said subsection three;

On advances by any person not being a bank, as imposed by subsection 19 of said section twelve.

2. That the rate of consumption or sales tax be reduced to four per cent and that any enactment which may be founded on this resolution number two shall be deemed to have come into force on the eighteenth day of February, 1927, and to have applied to goods imported or taken out of warehouse on and after that date, and to have applied to goods previously imported for which no entry for consumption was made before that date.

3. That said section nineteen BBB be further amended by providing that, for the purposes of the said section, printers, publishers, lithographers and engravers shall be regarded as producers or manufacturers, and that any enactment which may be founded on this resolution number three shall be deemed to have come into force on the eighteenth day of February, 1927.

Section 1 agreed to.

On section 2.

Mr. BOURASSA: During the debate on the budget I called the attention of the Finance minister to a promise that was made last year by the late Minister of Customs to exempt from the operation of the sales tax small local manufacturers of sash and doors, and so forth. Under the present law, paragraph 5 provides that there shall be collected only 50 per cent of the normal tax upon the following:

Boots and shoes, including rubber footwear; biscuits of all kinds; goods enumerated in customs tariff items 86, 105 and 106: creosoted railway ties.

Under paragraph 14,—

Retail lumber dealers, who do not manufacture lumber, or who do not sell lumber to other lumber dealers, or to other licensed manufacturers, need not take out a sales tax license.

Small sawmillers, selling exclusively by retail and whose total sales are not in excess of $5,000 per year, are classed as exempt from consumption or sales tax.

Then, under paragraph 15,—

The following classes of small manufacturers, when selling exclusively by retail, are regarded as exempt from consumption or sales tax on the sale of their products:—Picture framers, druggists, shoemakers, upholsterers, dentists, harnessmakers, plumbers, opticians, blacksmiths, tinsmiths, show card and sign makers.

The kind of small manufacturers that I recommended last year as entitled to exemption, and that I again recommend to the Minister of Finance, are surely just as useful and interesting as these other small industrialists, only that instead of simply sawing logs into planks and lumber, they do a little more work upon them, and sell them in a purely retail trade to the farmers and villagers around them. The late minister was so impressed with the justice of the claim that he told me he thought he could apply the exemption even under the present law, but I observe that it has not been done in the case I have in mind. The department has been demanding the tax from the small dealers to whom I referred in the budget debate some time ago. In this instance, the small local dealer, the father of twelve children, carries on, with one of his sons, a small industry; he purchases logs from the farmers and turns them into sashes and doors, which he sells to the villagers and the farmers in his neighbourhood. Out of the profits on $2,200 worth of goods which he sold in the retail trade, he supported his family and paid a salary to his son. A demand was made upon him from the government for $110 sales tax. I claim that this demand was unfair, and surely such a proceeding was not in the mind of the government when this tax was imposed. In my opinion such small industries are entitled to the same exemption as is allowed to the sawmillers who conduct business in the same way, with the only difference that the millers render less service to the small community where they operate. I am quite sure that it is sufficient to remind the minister of this matter to induce him to insert a few words in the clause, placing these small industries on the same footing as the industry to which I have referred. I was told in the department last year that they thought the present law covered those cases.

Mr. ROBB: If I understand the act correctly, the minister has certain discretionary powers which might enable him to do what my hon. friend desires, if he could be convinced that it was quite right and equitable. Of course my hon. friend will understand that every day, and sometimes three or four times a day, people come to the office and desire to be exempted from taxes for one reason and another. I have just spoken to my colleague, the Minister of Customs, and we will go into this matter very carefully, and if we feel that it is right in equity, and that the law is wide enough now for us to do as my hon. friend desires, we will do it. I should not like to make any further commitment. My hon. friend will also understand that the Minister of Finance desires to obtain all the revenue he can, but I realize that in the case presented by my hon. friend of the small business such as he has referred to, the tax may be more irritable to the person concerned than it is worth to the government.

Mr. BOURASSA: If the government and parliament thought fit to do it in these cases, I cannot see why it should be considered a matter of favour.

Mr. ROBB: No, it is not a favour.

Mr. BOURASSA: It should not be regarded as a favour or as an exceptional case. There are many such cases in the district of northern Quebec, northern Ontario and New Brunswick. Such small industries are essentially useful to the districts in which they are located and encourage the industrial life of the community. They complain, and quite rightly, in the province of New Brunswick that the large industry has swallowed up the smaller one. People have to build houses in the rural districts as well as in the towns or cities, and some encouragement should be given to the small local industries. If it is proper to do it in the case of the saw millers, why not give the same concession to the small manufacturers of doors and sashes? What advantage is it to the farmer, after he has had his logs sawed into lumber, if he cannot use it to put up his house or repair it? What I suggest would be simply carrying out what already appears in the law. My proposition is that the government should deal with the small industries in the same manner as they do with the large industries. If it is fair to exempt the boot and shoe industry to the extent of a fifty percentage of their sale taxes, why not exempt these small industries of a portion of their taxes, just as is done with the picture framer? I do not think the picture framer is of greater advantage to the community than the man who supplies the doors and sashes. If it be proper to exempt those industries I have referred to, why not make an exemption in the case of the manufacturer of doors and sashes? I know there are eight or ten cases of this kind in my own constituency and there are others in the northern part of the country. Why not put all the small industries on exactly the same footing?

The principle is exactly the same. They make use of the same raw material, purchased from the same class of people, and they render a great service to the community where they sell those products at a much cheaper price than other concerns would. It is merely putting small, local industries of exactly the same character on an equal footing.

Mr. ROBB: I hope my hon. friend will not press that too far. Give us an opportunity to do something next year, after my hon. colleague has reorganized his department and looked carefully into it. In some of the cases mentioned by my hon. friend the sales tax has already been paid by the picture framer. It is just a question of where we shall draw the line. Hundreds of industries throughout the country have put up just as good a claim as my hon. friend, but we will give it careful consideration and do something later.

Mr. BOURASSA: I have known all about careful consideration by ministers for twenty-five years. Such consideration was promised last year by the Minister of Customs, and we know that goods kept in cold storage do not improve. It cannot be said that this is a matter which has not been considered by the government and I am asking for the same application of the principle contained in the law to two industries of a like character. Why should the department favour one and demand a tax from the other? There is no reason and no justice in that. I protest against it in the name of all these small communities in those colonization regions in the northern part of the province of Quebec, extending from Timiskaming along the northern borders of the St. Lawrence valley. This is an easy way to encourage our village people to develop small local industries by making use of the raw material within the district, and it will be a practical means of preventing the exodus of our rural population to the urban centres and in turn to the United States rather than by encouraging the establishment of large manufacturing industries in our urban centres.

Mr. ARTHURS: Last session I called the attention of the Minister of Finance to the fact that the owners of small portable mills doing a very moderate business in country districts had been forced to pay sales tax upon the sawing of logs for farmers. The minister then told me that there was no intention on the part of the government to collect the tax in such cases, and that if any had been collected it was a mistake. Is there any chance of these men being given a rebate for the taxes already collected?

Mr. ROBB: As to taxes already collected, I must inform my hon. friend that "what we have we hold." But we will give very careful consideration to his observations.

Mr. BENNETT: I know that was the promise last year, but I am informed that the owners of some of these small portable mills have been compelled to pay sales tax regardless of the extent of their business. I had a letter to this effect the other day.

Mr. ROBB: The regulations provide very clearly that small sawmillers selling exclusively by retail and whose total sales are not in excess of $5,000 a year are to be exempt from sales tax.

Mr. BENNETT: The $5,000 maximum caused the trouble. In some small communities that is not a very high figure for the year's business done by the owner of one of these small portable mills, especially where lumber is high priced, it being roughly only about $400 a month. I would suggest that if the figure were doubled it would not work a hardship to anyone and at the same time would meet with general approval.

Mr. ROBB: It is rather hard for me to oppose my hon. friend from Labelle (Mr. Bourassa) and my hon. friends opposite, because I recall that when Sir Thomas White was bringing in the sales tax legislation I myself took the ground that lumber mills might be excepted from its operation. We will look carefully into this matter.

Mr. McGIBBON: The tax is collected on custom work, not on lumber sawn for farmers, which is really not a product of the mill at all.

Mr. BENNETT: I know that the collection of the tax concerns the Minister of Customs (Mr. Euler), but I draw this to my hon. friend's attention. In the community where I live it was complained in the case of a man who failed that one of the preferential claims was that of the government for sales tax. It is suggested that a better method should be devised for the collection of sales tax, and that rather than extend leniency beyond a given date it would be better for the man himself in the long run if you said, "We will not give you credit beyond that date; then you stop business or you pay." The present system involves considerable hardship on other creditors.

Mr. ROBB: I think the Minister of Customs has that under consideration and is in agreement with my hon. friend.

Mr. BENNETT: At this stage I do not want to go into the details of unpaid sales taxes, the subject having been discussed in

this House on more than one occasion, but it is known to the minister that many millions of dollars are in arrear, some extending over a very long period of time. This lends itself to very great abuse. Once you lay down a fixed and settled rule that if taxes are in arrear beyond a given date certain results will follow, then you attain the object you have in view. The result would be much easier for the minister, much better for the country, and in the long run exceedingly beneficial to the person in default. In response to a question from one of the hon. members for Toronto the House has before it a list of unpaid sales tax, the total running into millions of dollars. I am sure the minister will agree with me that the amount involved being so large some action should be taken to prevent a recurrence of a similar condition. Therefore I press the minister to make a declaration that this sort of thing is to be put an end to. It may be said, "some of your friends have received leniency in that regard." But that is not the question. This leniency is a distinct disadvantage to those who promptly pay their taxes, and I think the minister should take action along the lines I have suggested.

Mr. EULER: Two or three weeks ago I made some comment on this matter in the House. I think every hon. member knows the difficulty we have now in collecting arrears of sales tax, but I do not think any good would result from my discussing that matter on this occasion. Let me answer my hon. friend's inquiry with regard to current taxes, which I think is what he is referring to particularly.

Mr. BENNETT: Yes.

Mr. EULER: Very definite instructions have been issued that henceforth all current taxes must be collected by a certain date, and I think I may assure the committee that in future there will not be any accretion to the present arrears.

Mr. BENNETT: What do you propose to do?

Mr. EULER: One of the difficulties in the prompt collection of the sales tax has been the fact that we have had no power to charge interest on overdue payments, due to an oversight in the drafting of the original act. We have this power of collecting interest on overdue income tax. The omission is to be rectified by legislation in the present session, and I think it will be a very powerful incentive for the prompt payment of sales tax. Under the present conditions many of these defaulters have practically made the government their bankers, withholding payment of their sales tax and thus keeping the money in their business free of interest. We are making every effort to collect the arrears. Those hon. gentlemen who have been in the department know how difficult it is to put every account for arrears into the hands of the law for collection. We are doing that as far as possible, but my hon. friends will know that in all cases it is not advisable to take this course even in the interest of the government itself. However, so far as the future is concerned I can assure the House that there will not be much of an addition made to the present arrears of sales tax.

As to the question raised by my hon. friend from Labelle with regard to the exemption of certain industries, after all it is very difficult to distinguish between those who in a real sense are manufacturers and those who are not. When do we arrive at a distinct dividing line between those who merely make things in a small way and those who are manufacturers on a more or less large scale? We have the same difficulty in the printing trade, where the exemption from sales tax is granted to those printers who produce less than $10,000 worth of business a year. Some say that that figure is too high, that it ought to be $5,000. Here is where the practical difficulty arises. Frequently we get a protest from the man who produces $10,500 worth a year on the ground that the man who produces annually only $9,999 worth escapes the sales tax. The former says he is discriminated against. And so he is. The same difficulty arises where the exemption is put at $5,000; immediately the man whose turnover amounts to $6,000 a year complains that he is being discriminated against. I merely point out these cases to show the difficulties that confront us in the practical application of any such rule.

Mr. MANION: Within what time will the collection be made? The minister said that a certain time had been fixed.

Mr. EULER: It will be a matter of regulation.

Mr. BENNETT: At the present time it is sixty days.

Mr. EULER: The payment is supposed to be made at present by the end of the month immediately following that one in which the sale is made.

Mr. BOURASSA: The explanation given by the minister is somewhat strange in view of what is contained in the law itself. It cannot

be difficult to draw a distinction between labourers on a small scale such as I have described inasmuch as there already exists that very distinction. It is no more difficult to draw the line between jobber and manufacturer engaged in the making of sashes and doors than between the man engaged in the sawmill business and the harness maker, and so on. The limitation is there in the law; it relates to those selling exclusively by retail and whose total sales are not in excess of $5,000 per annum. That means that the manufacturer is limited in the first place as to the amount of his sales in the entire year, and secondly, as to the nature of his commercial operations. If he supplies goods to commercial houses, or if he sells more than $5,000 worth per annum, he is taxed. You have two limitations there, and all I ask is that two industries which are in every respect similar, which are operated in the same manner, in the same community and which serve the same purpose, with the exception of a little more service rendered in one case, should be put on precisely the same footing If the minister is so embarrassed about exempting the small sash and door dealers, why is he not embarrassed in the case of small sawmillers? I take the law as it is; I am not suggesting anything new. I therefore move, seconded by the hon. member for Comox-Alberni (Mr. Neill):

That the exemption of the sales tax for small sawmillers should extend to small sash and door makers under the same limitations.

Mr. CHAPLIN: Is the resolution in order?

The CHAIRMAN: I was just going to call the attention of the hon. member to Sir Erskine May's Parliamentary Practice, thirteenth edition, page 511. There is a paragraph of considerable length bearing on the point, but the following extract will cover it:

Nor can a member other than a minister move for the introduction of a bill framed to effect a reduction of duties, which would incidentally effect the increase of an existing duty, or the imposition of a new tax, although the aggregate amount of imposition would be diminished by the provisions of the bill.

And further on:

Nor can the amount of a tax proposed on behalf of the crown be augmented, nor any alteration made in the area of imposition.

Under that authority the amendment moved by the hon. member for Labelle (Mr. Bourassa) must be ruled out of order.

Mr. BOURASSA: I would ask you, Mr. Chairman to study the point somewhat more carefully. I looked it up this morning myself with some of the authorities and I found that so long as a private member proposing such an amendment remained within the scope of the legislation brought down by the government, and did not suggest any new tax or the substitution of one tax for another, it is competent for that member to submit any change, modification, or even increase in the application of the tax as proposed by the government. I should like to know whether the rules that apply in England apply here as well. There are hon. gentlemen who are prone to quote English precedents, and I want to retain such of them as will make for the preservation of the rights of private members. I appreciate the fact that the government should assume the responsibility for the introduction of money measures; it would be incompetent, inasmuch as it would lead to disorder, for any private member to suggest any form of taxation in substitution for another. If I proposed the imposition of a customs duty in place of this or a modification of the income tax, I can readily understand that I should be out of order. But when I merely suggest that a particular tax should be so interpreted by the government as to alleviate the burdens of a certain number of taxpayers, if I have not the right to make such a suggestion I do not know why I am here.

The CHAIRMAN: Bourinot in the fourth edition would rather confirm the position taken by the hon. member for Labelle. But in view of the fact that he comes into conflict almost directly with the authority I have cited from May, and in view of the practice of this parliament, in cases of doubt, to be guided by British procedure, I fear I shall have to rule the amendment out of order.

Mr. ROBB: As the amendment is ruled out of order, all I have to say in connection with it is that the hon. member must not be discouraged, nor suppose that we shall lose sight of his observations.

Mr. EVANS: I support the views expressed by the hon. member for Labelle. It seems to me that the answer given by the Minister of Customs (Mr. Euler) is one grand argument for the income tax. Here is a man with $2,200 of a total income, paying $110 in taxes. He has no right to be taxed while we have eased the taxation 10 per cent in the case of much bigger incomes. The whole thing is a condemnation of the reduction of the income tax on the big men while we are taxing the small producer.

Section agreed to.

On section 3.

Mr. ROBB: This section is designed to remove doubt as to the interpretation of the words "producers" and "manufacturers". A court in Quebec held that printers, publishers, lithographers and engravers were not manufacturers or producers, while the Exchequer court held that they were. This section is to remove that doubt.

Mr. NEILL: Does it or does it not remove the exemption of $10,000?

Mr. ROBB: No.

Section agreed to.

Resolutions reported.

SPECIAL WAR REVENUE ACT, 1915—AMENDMENT

Hon. J. A. ROBB (Minister of Finance) moved for leave to introduce Bill No. 149, to amend the Special War Revenue Act, 1915.

Motion agreed to, bill read the first and second time and the House went into committee thereon, Mr. Johnston in the chair.

Mr. NEILL: What is the number of the bill?

The CHAIRMAN: It is not numbered; it has just been read the first time and has not been distributed.

Mr. BENNETT: Presumably the bill will have to be moved out of committee if it is not printed, and it will be finished at some other time. The question of the sales tax as it affects printers came before me in a very concrete way the other day when I received a letter in connection with the payment of sales tax on cases printed for the Supreme Court of Canada or the appellate division of our own court. In the one case the printer did a business of over $10,000 and the sales tax was payable, but the other party had his book printed in a small town where the printer did not do that much business and sales tax was not payable. That is a concrete case which came before me in actual business, and I do think when you deal with matters of job printing it would be very desirable to have everyone on the same basis or to raise the figure above such an insignificant amount. The figure of $10,000 represents a very limited business for a jobber in a large city, but for a man in a small village $10,000 is more than he would ever dream of doing. That is hardly fair; it is discrimination. The one man is paying large taxes, doing a large business and employing many people, while the other man is doing a smaller business and employing fewer people. I would suggest that the amount be raised to something that would represent a real figure or that all be placed on the same basis. I mention this to the minister because it was communicated to me by an old country solicitor who had experienced it. He was very distressed because he had to pay sales tax in Calgary while another legal gentleman was not called upon to pay sales tax because his work was done in a smaller place.

[Mr. Evans.]

Progress reported.

WAYS AND MEANS

INCOME WAR TAX ACT 1917—AMENDMENT

The House in committee of ways and means, Mr. Johnston in the chair.

Resolved, that it is expedient to amend The Income War Tax Act, 1917, to provide that the rates of tax be reduced by ten per centum.

Mr. HANSON: I am not rising for the purpose of opposing this resolution, but I desire to make a few observations in this connection since I believe it will be the only opportunity open to me of referring to a discussion which took place in this House during the session of 1926, with reference to family or personal corporations. I desire to call the attention of the government to a pledge given at that time by the then Minister of Customs, to the effect that if the law as then enacted should prove a hardship, at the very first session of parliament the government pledged itself to remove that hardship. In this connection I desire to quote the remarks of the late Minister of Customs made on June 10, 1926, and found at pages 4335 and 4336 of Hansard. The 80 per cent clause was under discussion, and in reply to some observations made by the hon. member for St. Lawrence-St. George (Mr. Cahan), the then minister stated:

> What I am prepared to say to my hon. friend is this: We do not want to create any hardship. We do not want any concern which in reality is a partnership, which has been formed into a corporation for legitimate reasons, to suffer under the terms of this act and if any such case as that suggested at this moment as an example by my hon. friend is brought to our attention during the course of the present fiscal year, instructions will be given to the Commissioner of Taxation to withhold the levy, and at the next session of parliament this clause will be amended in a way which will meet that particular case.

I take it that that was a very definite pledge on the part of the government, and on that understanding the legislation was allowed to go through. May I call the attention of the minister to the fact that there are corporations which have been penalized by reason of the fact that the percentage is

so high. I do not intend to go into details but I have given one particular case to the minister privately. That was the case of a corporation in which three partners owning equal shares in the business turned it into a joint-stock company for purposes of convenience only, long before the section was enacted. Two of the partners were permanent employees of the concern while the third, the president, acted in an advisory capacity only and drew no salary. Consequently that concern does not come within the law as it is at present. I submit that that is a case of very considerable hardship, and I ask the minister to be good enough to amend the law to meet cases of that kind, in accordance with the definite pledge given to the House in the words I have quoted.

Mr. BOURASSA: Last year when the income tax proposals were before the House I called the attention of the government to the importance of encouraging the taxpayers with large families by extending the exemption of $500 for each child to the age of twenty-one years. The reasons then given apparently struck the minister as being cogent and proper, because in three or four instances the late minister, who had charge of that part of the resolution, promised that when the Income Tax Act was next amended, this would be the first amendment taken up by the government. Therefore I am quite sure that it was merely an oversight on the part of the minister when he brought down those resolutions without regard to the promise made last year by his colleague. No promise was made of a general reduction of 10 per cent of the income tax, but a definite promise was made for the further extension of the children exemption clause. It seems to me it is not necessary to develop at length the reasons. First, as everybody knows, children kept at school—and I suppose we ought to encourage parents to keep their children at school as long as they can—are more costly to their families between eighteen and twenty years of age than they are when they are youngsters. Second, twenty-one years of age is the legal age, the age of emancipation.

Some hon. MEMBERS: Oh, oh.

Mr. BOURASSA: Yes, of legal emancipation. A child of nineteen or twenty years of age under our civil law—and I think it is the same throughout the Dominion—is not absolute master of himself until he has reached his majority. Of course, if children are earning their living, I quite admit that the exemption should not apply, but it does not apply at present. Supposing a child at sixteen years of age earns his living, works for himself, he does not come in under the exemption granted by law. But a child of nineteen or twenty years of age kept at school by his parents is a heavy charge upon his family, and moreover he is not considered by the government in giving exemption from taxation. It seems to me obvious from a social as well as from a sound economic point of view, that the exemption should be extended to the parents in such a situation rather than that a general exemption of 10 per cent should be granted to all taxpayers, whether they would feel the burden of paying that 10 per cent or not.

It would be quite easy to cite many concrete cases. For instance, take the father of no family with a revenue of $100,000 a year. I have not looked this afternoon at the scale to see what he would pay, but his income tax was already largely reduced last year. He is again favoured this year by a further reduction of 10 per cent on the total amount he should pay. On the other hand, we have the father of a family of ten children earning an annual revenue of, let us say, $7,000 or $8,000. He receives an exemption for those children that are under eighteen years of age; but if he keeps two of those children at school between the ages of eighteen and twenty-one; if he wants to develop their education, if he is prepared to endure sacrifices to make them better citizens of Canada, the government disregards his sacrifices. He is struck precisely at the moment when he is making the greatest financial outlay to give a better education to his children. That is unfair, and in fact the suggestion I now make was considered so equitable last year that there was no discussion. The only reason given by the then Minister of Customs, the late Mr. Boivin, was that as the government had already made large curtailments, it was not proper to make any more that year, but that the following year, if any changes were made in the income tax, so far as he was concerned he pledged himself to see that this would be the first modification.

It is suggested that this would mean a decrease in revenue. I have already stated that the revenue derived from income taxation could be largely increased from various sources. First, this 10 per cent exemption which we are now asked to vote, could be granted only to taxpayers who have less than a certain annual revenue. I do not see why a man who has a revenue of $50,000 should receive the exemption proposed under this resolution. Surely he is not in such a position that the government is bound to take

care of him. I have suggested also that we could tax the yearly values of household property over and above a certain amount, to be determined as the reasonable rental value of the property. In that way, we could receive far more than would be compensated to fathers of families by granting that exemption from eighteen to twenty-one years of age.

Third, during the budget debate I mentioned the fact that a very large amount of revenue derived from coupons on debentures escaped taxation altogether. Last week I met in Montreal a man who deals in financial matters on a very large scale. He told me that from his experience, from the relations he had in the financial world in Montreal, he was led to believe that millions of dollars escaped taxation because of two things—that the debentures are not inscribed but are payable to bearer, and that there is no tax on the coupon. Last year I suggested that if a stamp tax were imposed on the coupons, most of which, if not all, are paid through the banks, we could increase our income tax revenue at a very small charge to the taxpayers, and thereby reach a class of taxpayers most capable of increasing their contributions to the state.

At the present time you reach easily the employee of a company because his name figures on the payroll of the company and because the list given by the manager to the income tax branch is on file to prevent that employee from defrauding the federal treasury. You reach the shareholder because companies are obliged to publish their lists of shareholders. But we do not reach one-tenth of the debenture holders because the debentures are not inscribed.

Mr. BENNETT: I think one-tenth would be too large.

Mr. BOURASSA: Perhaps. I am not at all in that sphere of life, but I give the information as I have received it, not from opponents or partisans of any government but from business men. I give it as I had it from some of the most experienced officials of the income tax branch who tell me that they cannot and do not reach a large proportion of the biggest income of the country, an income which should be but which is not taxed. Surely a little attention should be given by the government to those features of the income tax, a little more added on to taxpayers capable of paying the taxation, and a little more consideration given to the father of a large family who, I repeat, is the best contributor to the development of Canada that we have. It is all very well to gather money and to pay subsidies to companies or to charitable associations, to bring children from Europe to fill up the gaps in our country; but surely native-born Canadians are the best citizens we can have. To help fathers of families in this country to keep their children at home and to give them a proper education is far more important than to devise all sorts of plans to bring foreigners to Canada to take the place of native sons of the land. Therefore, from a social point of view and from a sound economic point of view, I most strongly urge upon the government that they implement the promise that was made last year by one of their members. I hope the government will accept this suggestion without my being obliged to move it as an amendment, because I know that a good many of their followers in the province of Quebec at least, in endeavouring to point out to the people reasons why they should vote for the Liberal government, gave this one among others, and surely it is a good one. One of the reasons for which I upheld the government at the last session was the tendency I thought I saw in their budget proposals to come nearer to what I considered sound economics and social justice in matters of taxation, but this year I am sorry to say I do not find the same evidence. A general reduction all round of ten per cent in the income tax has been proposed without any consideration as to the means of the taxpayers and the charges that the family has to bear. That proposal is not inspired by the same spirit as was behind the proposals of last year, and if my suggestion, which I make in the most friendly spirit is accepted, it will help to correct the impression that is getting abroad that this government, after securing the favour of the people by showing itself friendly to the people, is now trying to come a little nearer to those influences that so frequently have more to do with the policy of governments—I am not speaking particulary of this or of any other government—than the real good of the people. I therefore hope that the government will accept this suggestion and implement the promise that was made last year by one of their colleagues, and upon the strength of which a large number of electors in the province of Quebec voted for the government last fall.

Mr. HANSON: Before the minister replies to the hon. member for Labelle, I do not propose to allow him to get away—I am not saying this offensively at all—from the point I was trying to make in regard to these family corporations. This question has raised a good deal of difficulty and caused a good deal of distress. There was a definite pledge on the part of the late Minister of Cus-

toms that this condition would be remedied at this session of parliament. I have already read his statement to the minister. The Minister of Customs shakes his head, so I will read it again. He said:

> We do not want any concern which in reality is a partnership, which has been formed into a corporation for legitimate reasons, to suffer under the terms of this act and if any such case as that suggested at this moment as an example by my hon. friend, is brought to our attention during the course of the present fiscal year, instructions will be given to the Commissioner of Taxation to withhold the levy, and at the next session of parliament this clause will be amended in a way which will meet that particular case.

Surely that is a definite pledge. I want to tell the minister that in the case I mentioned the levy has not been withheld. I believe the commissioner takes the ground that he is only the officer administering the law, and that he is not bound by any expression of the minister on the floor of the House of Commons; I think he is quite correct in that. But here is a definite pledge that in the event of hardship being found to exist, the levy will be withheld. The levy has not been withheld, and I ask the minister to redeem the pledge of his late colleague.

Mr. LAVIGUEUR: I listened with great interest to the remarks made by the hon. member for Labelle, and I was reminded of the effort that was made in 1921 by the then member for Chambly-Vercheres, Mr. Archambault, to get the government to grant an exemption of $200 for each child. He was successful in this, and later the exemption was increased to $500. I also remember that a demand similar to that which is being made to-day was made upon the Minister of Finance last year, and I remember well the reply of the Minister of Customs at that time. He said that as soon as the finances of the country would permit, the first reduction that would be made in taxation would be in that direction. I think it is only fair, Mr. Chairman, that the father of a family of ten or twelve children should be granted some consideration, and should not be placed on the same footing as the father of a family that is composed of the father, the mother, and a pet dog. So I wish to approve what has been said by the hon. member for Labelle in this regard, and I would urge upon the Minister of Finance to give consideration to the suggestion that has been made.

Mr. MANION: I was just rising to say a few words in support of the earlier remarks of the hon. member for Labelle when my good friend from Quebec-Montmorency rose, and knowing his very fine record I felt that he had much more claim to the floor than I had. At the same time I say in all seriousness, Mr. Chairman, that I wholly agree more particularly with the earlier remarks made by the hon. member for Labelle. If we are not going to throw education into the discard entirely, if we are going to take the attitude which most reasonable people take, that education is an advantage to our children, then certainly it seems to be an extraordinary thing that a man's income should be exempted for a certain amount only up until the time his children reach the age for going to college, and then the exemption ceases, and he is penalized for sending them to college. I have in mind at the moment an instance where two boys are going to the university. Up to their going to the university, the usual exemption was allowed, but now that they are at university and their father is put to greater expense, the income tax exemption is removed, and the father is paying a larger tax at the very time his expenses, on account of these boys, are heaviest. It certainly seems a most ridiculous attitude for any of us to take to say that parents who make the effort, as most ambitious parents do, to give their children a higher education should be penalized for so doing. I submit that the hon. member for Labelle, so far as I have ever been able to judge, is absolutely right on the matter. I have thought of it many times myself, although I have never spoken of it publicly before, and I hope the minister will even at this stage in connection with this resolution accept the recommendation that has been made by the hon. member for Labelle, and so make it easier for ambitious parents to give their children a higher education.

Mr. CAMPBELL: While I agree with the last three speakers, the people I am most concerned about are those who do not have an income sufficient to pay an income tax. I have read in the papers and heard it said in the House that farmers are not paying any income tax. It is obvious why they are not; they are not getting the income on which to pay the tax. One of the hon. members for Toronto last night repeated the figures he had quoted in the House before in an attempt to prove that Toronto and Montreal are paying nearly all the taxation, and that the prairie provinces are paying little or nothing. But there is one fact he has not taken into consideration, and that is that the farmers of western Canada, and I presume this also applies to the farmers of Ontario, Quebec, and the maritime provinces, buy hundreds of millions of dollars worth of goods manufactured

in Toronto and Montreal, and added to the price of these goods are the taxes the manufacturers pay. Naturally at the ports of entry the customs receipts will roll up high, but these receipts are simply added to the cost of the goods when they are distributed throughout the country. I say again that I am particularly concerned with these people who have not sufficient income on which to pay income tax. It seems to me it is an economic law, when you reduce the income tax, that you either put more taxes on those people, or you lose the opportunity of reducing other taxes, and I think it is absolutely unfair that there should be a drastic reduction in these taxes, without there being at least a corresponding reduction in the taxes paid by the ordinary people.

Mr. EDWARDS (Frontenac): Following the war came responsibilities and obligations which necessitated new forms of taxation. Some of those forms of taxation have rightly been referred to as "nuisance taxes". I trust the time is not far distant when all such will be eliminated. I believe of all the forms of taxation that we adopted the most logical and reasonable was the income tax properly graded. I do not know how much will be lost to the revenue of Canada by this proposed reduction of ten per cent all round, but I will venture to say that the total amount of reduction in the revenue caused by this cut of ten per cent will remain in the pockets of those who are well able to pay that money towards the revenue for the running expenses of the country. This cut of ten per cent in my judgment is a step in the wrong direction. I believe the minister and the government would have been well advised, if, instead of making a cut of ten per cent in the income tax, they had made a further reduction in the sales tax. That reduction would have reached every person to a certain extent. There is absolutely no question about that. There can be no disputing the fact that this reduction of ten per cent does not relieve in the smallest fraction the poor people of the Dominion of Canada. They get no relief whatever from it. The only persons who do and who can get any relief from this reduction of ten per cent are those who are best able to contribute to the revenues of the country and who, because of their personal wealth and influence, ought to contribute. They have a bigger interest than the mere individual who has nothing. There are other forms of taxation which might be imposed by the Minister of Finance to take the place of this one.

[Mr. Campbell.]

I think there is one tax he might impose which would perhaps be received with genera approbation throughout the country. He might put a fair tax upon bachelors.

Mr. BENNETT: For instance the hon. member for West Middlesex (Mr. Elliott).

Mr. EDWARDS: There would be a great joy in contemplating such a tax and in seeing whom it would hit. Apart from joking, I wish to place myself on record as saying that I believe this proposed reduction of ten per cent all round in the income tax is a step in the wrong direction, and that reductions might be made in other taxes which would be far more in the interest of those who need reductions.

Mr. WOODSWORTH: I should like to endorse the position taken by my hon. friend from Labelle. The hon. member for Frontenac has proposed a tax on bachelors. It seems to me that that would be no more ridiculous than it would be to put a tax, as we do, upon families. It would seem to be quite in keeping that the man who has a large income and no family responsibilities should be taxed more heavily than the man who has a family and who is in every way contributing definitely to the national wealth of the country. But at present we are taxing that man most heavily. I do not know that I can say anything more than has been well said by the hon. member for Labelle. We all recognize that this reduction of ten per cent is a very uneven reduction. Ten per cent may be a comparatively small thing for the man with a small income, but a very heavy reduction for the man with a larger income. Therefore, I beg to move:

That the resolution be amended by inserting after the word "tax" in the second line the words "on incomes under $10,000".

Mr. BENNETT: As one of the two who would be subject to the tax as proposed by the hon. member for Frontenac (Mr. Edwards)—

An hon. MEMBER: How about the member for Southeast Grey (Miss Macphail)?

Mr. BENNETT: Three, the Prime Minister, the member for Southeast Grey and myself. I might observe that my hon. friend from Winnipeg North Centre (Mr. Woodsworth) has overlooked, I think—I submit, at least—the discussion that took place last year. When the income tax was graded as it was last year, there was no provision made to overcome double taxation and I am sure that

a student of economics, such as my hon. friend from Winnipeg North Centre, will admit that double taxation is always bad. The taxation of last year imposed upon those who received dividends from companies a double taxation, the dividends being taxed nine per cent in the possession of the company, and in the hands of its shareholders—at rates varying from ten to fifty per cent. This merely remedies the injustice then done. I daresay it is within the memory of the members of this House that their late Minister of Customs said he realized and felt the extent of that unfairness, but that it could not be dealt with at that time, and I am quite certain that the Minister of Finance has been endeavouring to ascertain what percentage of reduction would make a fair adjustment of the difficulty of double taxation. You have no justification for double taxation. For instance, if my hon. friend from East Calgary invests in a company whose net income is $5,000 per annum, that company pays a tax of $450 to the exchequer, being nine per cent of his income, and the money that is left to be divided among the shareholders is thereby lessened by $450 and becomes $4,550 instead of $5,000. Under the existing law that $4,550 is taxed to its full extent, without making any allowance for the fact that in the hands of the company it has already paid nine per cent, and this measure—a tardy measure of justice to those who pay upon the dividend —is endeavouring—it does not do it amply, it does not come near doing it—to place it upon some basis of fairness or justice. That is the position, and I am satisfied that my hon. friend who comes from my own province and those who do not come from that province, who sit to the left, desire to be fair and just. To make money is not a crime. It is not an offence to honestly toil and get the recompense for it. Toil is not an offence, and never should be an offence in any country, time or place, and the state depends largely on the revenues it can collect, so far as income tax is concerned, from those who, by their enterprise, by their ability, their perseverence, their energy, and their hard work, have been able to accumulate incomes from which the tax can be collected. I am sure that my friend from Rosetown (Mr. Evans) who spoke a few moments ago will say that he desires to be fair and just to all men. Then if money in the hands of a company is taxed, why should you have double taxation imposed upon it? I put that case to the House last year. The Minister of Finance said that it was worthy of consideration. In one instance I pointed out that money was taxed three times, and the minister said that the difficulty must be overcome. This deduction of ten per cent is merely an endeavour to adjust the taxation so as to prevent money being taxed twice. In England and in all other countries where income tax is collected it is imposed on the principle that money shall not be taxed twice for income tax purposes. This is an endeavour on the part of the minister to carry into effect the suggestion made by the late Minister of Customs himself.

May I go a step further and deal with the matter touched on by the hon. member for Labelle, which I deem of very considerable importance? Ten days ago I heard the case of a gentleman in receipt of a small professional income who has three sons at the university. He and his wife are denying themselves actual necessaries in their endeavour to give their children a chance in life. I do submit to the minister that the exemption should be extended to cover such a case. I agree heartily with the observations made by the hon. member for Labelle and the hon. member for Quebec East. The fact that there are twelve cases of $200 exemption has nothing to do with the matter at all. Where the family revenue is being diminished by reason of the effort made to support a child, whether he be eighteen or twenty years of age in order that that child may be the better able to serve the state, is something that should find recognition on the part of the minister, and I do hope that it is not yet too late for him to take action. When I talked to that gentleman the other day I made up my mind that at the first opportunity I would again urge the minister, as the hon. member for Labelle has so well done, that this exemption should extend to the time while the children are being fitted by their fathers and mothers to become useful citizens of the state. I am sure that to carry the exemption from eighteen up to twenty-one will not involve the sacrifice of much revenue. No one suggests that it should be extended beyond the age of twenty-one, although we all know that the man who sends his boy to a medical school has to support him until he is twenty-five or twenty-six years of age, for during the intervening holidays he is unable to earn any money as he usually goes into a hospital where he gets nothing more than his board. I think the matter is of such importance to the state and to the welfare of families that the suggestions made by the hon. members for Labelle and the county of Quebec as well as by the hon. member for Winnipeg should

receive the hearty support of the House. Let it not be regarded as a contentious political matter. Let us deal with it as something that affects the state as a whole and therefore commends itself to the judgment of every hon. member whether Liberal or Conservative or affiliated with any of the other groups.

Miss MACPHAIL: I am opposed to any further reduction in the income tax. I do not think for one moment that the sacrifice of the man who is striving to send three boys to university is to be compared with the sacrifice of the fathers and mothers who are struggling to give their children decent food and clothing. One is almost afraid to mention the name of mother here since men preen themselves so much on having large families.

Some hon. MEMBERS: Oh, oh.

Miss MACPHAIL: I am deeply angered—not for myself, but for the sake of motherhood. This is a masculine House, so masculine that sometimes I resent it from the very depths of my soul. The size of the family is not something for men to boast of. No woman should be asked to bear very large families. It is the men and women who have moderate families and who try to give them decent food and clothing and some education on very slender incomes that I represent here and that I am concerned with. I must take exception to the statement made by the man who has just taken his seat—whom I respect very much personally—that people of great wealth are necessarily good citizens. Very often they are anti-social in all their tendencies and actions, and they are the people responsible for conditions that make it impossible for many boys and girls to ever get a university education. They are the people who will benefit by a reduction in the income tax. So I stand in my place once more to say that I oppose any reduction of the income tax with all my strength. Supposing all our boys and girls go to university and become doctors and lawyers, under heaven what kind of country would we have! Sometimes the intellectual snobbishness of people who have received a university training makes me thankful that I have never been able to attend university, much as I have wanted to. If a boy has reached twenty-six or twenty-seven years of age, and has never supported himself, he will not be as good a citizen as if he had at least assisted his parents part of the time in maintaining him. Therefore I repeat, we should not further reduce the income tax. We must have revenue, and if we do not take it from the people who are able to pay we will have to take it in increasing measure from the people who are not able to pay.

The CHAIRMAN: The hon. member for Winnipeg North Centre has moved in amendment to the resolution now before the committee to insert after the word "tax" in the second line the words "on incomes under $10,000." I regret that I must rule this amendment out of order because it interferes with the scope of the resolution, and no such amendment may be moved by other than a minister of the crown.

Mr. GARDINER: Will the Chairman state his authority?

The CHAIRMAN: I am quoting the same authority as that which I relied on in connection with the amendment moved by the hon. member for Labelle.

Mr. WOODSWORTH: May I point out that if this amendment is adopted, instead of decreasing it will increase the revenues of the country?

The CHAIRMAN: To that extent it interferes with the scope of the resolution.

Mr. WOODSWORTH: Mr. Chairman, I rise to a point of order. I submit that this is an altogether new type of ruling. We have had the rule invoked in the past that a private member is not competent to introduce a resolution which would lessen the national revenues; but it has always been held that it is open to a private member to cut down estimates or to do anything else that would not reduce the revenues of the country. In this particular case the purpose of the amendment is to increase the revenue. If such a ruling as this is to prevail, why, we may as well leave this committee for it will be absolutely useless to remain here. I challenge the ruling of the chair.

Mr. BOURASSA: Mr. Chairman, while I have not consulted the authorities for some years, I still recall some of the rulings of old, and having received within the past two hours advice contradictory to your ruling, I am beginning to ask myself if the rules are to be interpreted according to the convenience of the government or not. I notice that Bourinot is quite clear on this point. For many years he was the respected Clerk of this House, and I think he is just as good an authority as any other that can be cited. I have noticed that at times Bourinot is invoked when his opinion coincides with the interests of the govern-

ment, but otherwise he is ignored. But even May contains a precedent that I think is applicable to the amendment that I proposed. Let me read it.

The principle, that the sanction of the crown must be given to every grant of money drawn from the public revenue, applies equally to the taxation levied to provide that revenue. No motion can therefore be made to impose a tax, save by a minister of the crown, unless such tax be in substitution, by way of equivalent, for taxation at that moment submitted to the consideration of parliament; nor can the amount of a tax proposed on behalf of the crown be augmented, nor any alteration made in the area of imposition.

In support of the last sentence May quotes this precedent:

On the 14th March, 1844, Mr. Howard Elphinstone proposed a committee of the whole House to consider the Stamp Acts, with the view of imposing the same amount of probate duty on real estate as was paid on personal property.

There we have a very different case. Suppose we had proposed to extend the sales tax upon certain merchandise not already taxed, we should be increasing the area of imposition within the meaning of this opinion. Or suppose we proposed to extend the income tax to certain incomes not already taxed; that, again, would come under this rule. Let us now take our dear friend Bourinot:

If the government approve of any plan of taxation suggested by a private member, it is the constitutional course for them to propose it themselves in the committee of ways and means. This was done in the English House in the case of a resolution to extend the probate duty upon property above the value of one million. If the government object, that a motion imposing a tax is not required by the exigencies of the public service, the member offering it should at once withdraw it. All the authorities go to show that, when the government have formally submitted to the House the question for the revision of customs and excise duties—

Mr. GUTHRIE: I rise to a point of order. There can be no discussion on a ruling of the Chair: if any discussion were allowed the debate might be interminable. When the Chairman makes a ruling his duty is to leave the chair immediately if any exception is taken. I submit that the hon. member is out of order.

The CHAIRMAN: The point raised by the leader of the opposition (Mr. Guthrie) is well taken. No debate may ensue on a ruling of the Chair, but an appeal may be taken from it to the House.

Mr. ROBB: Having reached that conclusion, Mr. Chairman, if we may now come back to the bill under consideration—

Some hon. MEMBERS: No.

Mr. WOODSWORTH: I appeal from the ruling of the Chair.

Mr. SPEAKER resumed the chair and the Chairman having reported the question, Mr. Speaker submitted it to the House in the following terms:

Whilst the committee of ways and means was considering the following resolution:

Resolved, that it is expedient to amend the Income War Tax Act, 1917, to provide that the rates of tax be reduced by ten per centum.

Mr. Woodsworth moved the following amendment:

That the resolution be amended by inserting after the word "tax" in the second line the words "on incomes under $10,000".

The Chairman ruled the amendment out of order on the ground that no private member can move to impose a tax, nor can any alteration be made in the area of imposition proposed by a minister of the crown. The question now is, is it the pleasure of the House that the Chairman's ruling be confirmed?

The House divided on the question: Shall the ruling of the Chairman be confirmed? And the ruling was confirmed on the following division:

YEAS

Messrs:

Allan,
Anderson (Toronto-High Park),
Anderson (Halton),
Arthurs,
Auger,
Baldwin,
Barber,
Beaubien,
Bell (St. Antoine),
Bell (St. John-Albert),
Bennett,
Bettez,
Bissett,
Black (Yukon),
Black (Halifax),
Blanchard,
Blatchford,
Boivin,
Bothwell,
Boucher,
Boulanger,
Bourgeois,
Bowen,
Bowman,
Boys,
Brady,
Cannon,
Cardin,
Casgrain,
Chaplin,
Charters,
Chevrier,
Clark,
Cotnam,
Delisle,
Denis (St. Denis),
Desaulniers,
Deslauriers,
Dickie,
Dionne,
Donnelly,
Dunning,
Edwards (Ottawa),
Edwards (Waterloo South),
Elliott,
Embury,
Esling,
Euler,
Fafard,
Fiset (Sir Eugene),
Forke,
Garland (Carleton),
Gershaw,
Gervais,
Girouard,
Goodison,
Goulet,
Grimmer,
Guérin,
Guthrie,
Hay,
Heenan,

Hodgins,
Howden,
Ilsley,
Jelliff,
Jenkins,
Johnstone
(Cape Breton North-Victoria),
Kaiser,
King
(Kootenay East),
King, Mackenzie
(Prince Albert),
Lacombe,
Laflamme,
Lanctôt,
Lapierre,
Lapointe,
Lavigueur,
Letellier,
MacLaren,
MacLean
(Prince),
McLean
(Melfort),
MacNutt,
McGibbon,
McGregor,
McKenzie,
McMillan,
McPhee,
McPherson,
McQuarrie,
McRae,
Malcolm,
Maloney,
Marcil,
Matthews,
Millar,
Morin
(Bagot),
Morrissy,
Motherwell,
Odette,
Parent,
Peck,
Perley
(Sir George),
Pettit,
Preston,
Prévost,
Price,
Quinn,
Ralston,
Rennie,
Rhéaume,
Rinfret,
Robb,
Roberge,
Robinson,
Robitaille,
Ross
(Kingston City),
Rowe,
Rutherford,
Ryckman,
Ryerson,
St-Père,
Sanderson,
Séguin,
Senn,
Short,
Sinclair
(Queens),
Sinclair
(Wellington North),
Smith
(Stormont),
Smoke,
Spence
(Parkdale),
Spence
(Maple Creek),
Stevens,
Stewart
(Edmonton West),
Stewart
(Leeds),
Stinson,
Stirling,
Taylor,
Telford,
Thorson,
Tolmie,
Tummon,
Vallance,
Veniot,
Verville,
White
(London),
White
(Mount Royal),
Young
(Saskatoon),
Young
(Toronto Northeast),
Young
(Weyburn).—149.

NAYS

Messrs:

Adshead,
Bancroft,
Bird,
Bourassa,
Brown,
Campbell,
Cantley,
Carmichael,
Coote,
Cowan,
Edwards
(Frontenac-Addington),
Ernst,
Evans,
Fansher
(Last Mountain),
Fansher
(Lambton East),
Fraser,
Gardiner,
Garland
(Bow River),
Glen,
Heaps,
Hepburn,
Irvine,
Kellner,
Kennedy,
Lovie,
Lucas,
Luchkovich,
Macdonald
(Richmond-West Cape Breton),
Macdougall,
Macphail (Miss),
Milne,
Neill,
Spencer,
Steedsman,
Ward,
Woodsworth.—36.

[Mr. Speaker.]

The House resumed in committee, Mr. Johnston in the chair.

Mr. ROBB: I would not like the House or the country to be left with the impression, which some of us seem to have this afternoon, that this government have not made any concessions to those who have dependents. When the income tax was first introduced I was a member of this parliament and my recollection is that the exemption was $200 for dependents of eighteen years of age and under. This government increased that exemption to $300 and later we increased it to $500. In addition we increased the exemption to the individual so that a married person had an exemption of $3,000 and if there were four children in the family the total exemption would be and is $5,000 to-day. Therefore, if a married man with a family of four children has an income of $5,000 he has no income tax to pay.

In that connection may I give a comparison between the federal government, the different provincial governments that have income taxation and the United States where they have income taxtion? It is true that the exemption under the United States federal act is $3,500 for a married person, but their exemption for dependents is only $400, while ours is $500. The Ontario government have given notice of some changes recently, but they are not applicable on this year's income, and according to our records, in Ontario, for married persons the exemption is only $2,000 and for dependents, $400. In Manitoba the exemption is $2,000 with an exemption for dependents of $300.

Mr. RYCKMAN: The province of Ontario does not collect income tax. The municipalities do so.

Mr. ROBB: The province of Ontario through legislation enables the municipalities to tax incomes. In British Columbia the total exemption for a married person is $1,500 and for dependents, $200. In the state of New York the exemption for dependents is $400 and in the state of Massachusetts it is $250, so that we are somewhat in advance of them in our exemptions.

Some hon. gentleman has referred in this debate to the question as to who pays the taxes, and it has been represented to us that the 10 per cent reduction we are now giving will go more largely to the rich man. According to the records which we have in the department where they collect the tax and have statistical records of those who pay taxes, it will be interesting to know that for the fiscal year 1925-26, it is really the employees

who comprise the greatest number of taxpayers. Whoever may dodge taxtion, the employees cannot dodge taxes, because under the law the employer must send to the department a record of his employees with their salaries so that the government is able to check them up. The total number, not incorporated, who paid taxes in the fiscal year 1925-26 was:

Agrarians	3,643
Professional men	17,559
Employees	158,253
Merchants	14,136
Manufacturers	2,543
All others	19,143

While the employees constituted about 73 per cent of the taxpayers, they paid not quite 24½ per cent. The merchants paid almost 12 per cent; the manufacturers, 28 per cent, and all others, 30 per cent. The agrarians paid about one-half of one per cent. It is interesting in that connection to remind hon. gentlemen what I said a few days ago, namely, that the corporations have also paid a considerable amount in taxes and that is not limited to one province. I have already placed that on record.

Some person during the debate suggested that many people were dodging taxes through coupon bonds. That is perfectly true and we know it, but the difficulty is to reach those tax-dodgers. If you put a tax on the coupons, you cannot put a tax on the man who is dodging or trying to dodge taxes without penalizing the honest man as well, because you must tax all coupons. According to the present legislation coupons up to $10 are exempt, so that it is pretty hard to reach that class. My hon. friend is quite right; we know there are people who are dodging some taxes, but, generally speaking, they are paying fairly well.

Just one word in regard to the so-called wealthy individuals who are exempt from this income tax. I think I pointed out to the House during the budget debate that very strong pressure had been brought to bear upon the government from people throughout Canada representing hospitals and other institutions, that we should make exemptions for those who contributed towards hospitals. The ten per cent reduction on the income tax was given as a concession towards that application, and also as a concession, as was represented by the hon. member for West Calgary, the ex-Minister of Finance (Mr. Bennett), to those who complained that there was double taxation in the legislation of last year. To that extent we have reduced it. But to come back to those who contribute to hospitals, there is at present in Montreal a united campaign being carried on for all their hospitals. The other day there was brought to my attention the case of a gentleman—and I suppose there are many others—who had contributed $150,000 to this hospital campaign. This sort of thing is going on throughout Canada. These hospitals are maintained not only for the wealthy and other city people who are able to pay, but for those who are not able to pay. It is therefore a little unreasonable always to attack that class of individuals.

I do not want to delay my own legislation; but to come to the observations of the hon. member for Labelle (Mr. Bourassa), the ex-Minister of Finance, and the hon. member for Fort William (Mr. Manion), who have urged us to make this further exemption in regard to those who are attending schools or colleges, I do not know where we are going to reach the limit. We must have revenue from some sources, and the government must have money to carry on and administer the affairs of the country, and to pay the interest on the war debt. I was not very much impressed with the argument of selecting certain persons who were attending college. I was somewhat inclined towards the view expressed by the hon. member for Southeast Grey (Miss Macphail) that there are other people in this country who deserve consideration. But this appeals to me in the observations of the hon. member for Labelle, that after all, under the law, a Canadian is only legally responsible when he reaches the age of twenty-one years. I will admit, as was stated by the hon. member for Fort William, that as regards some professional men who are sending their children on to higher colleges, we come in under the law and tax them a little more perhaps when the young man or woman is going on to college in order to be equipped to become either a doctor or a lawyer, if you will, I think we have about all the lawyers we can get along with in this House now. I have had an experience of some years in connection with the public schools of our country, and I think people are going into the teaching profession just a little bit too young. I think it might be in the interests of the country if they attended college just a little longer. I have read the record of what my former colleague the Minister of Customs said last year, and while he was very careful and did not make any direct commitment, there was an inference that the government would give consideration to this matter, and so my hon. friend from Labelle will be glad to know that I propose now, Mr. Chairman, to move this amendment.

Resolved that section 4, subsection (1A) (c) be amended by striking out the word "eighteen" therein contained, and inserting the

words "twenty-one", and that this amendment be made applicable to the income period 1926.

Mr. McGIBBON: I have not anything particular to oppose in this amendment, although on general principles I am opposed to class legislation; I do not think it is right. I think we are on the wrong track when we give special privileges to certain classes of individuals. But what I rose to impress on the minister was this: He has not justified, at least to my mind, his action in taxing gifts to hospitals, and such like. I would like to remind him of the fact that there is hardly a hospital in the country that pays its way, and of the further fact that the people who can pay to go to a hospital are taxed far beyond the actual cost of nursing and medical attention in the hospital. These institutions are run primarily for the benefit of the poor. The nurses in these institutions get practically nothing but their board and lodging and their uniforms, and the medical men and surgeons give their time and their services practically for nothing. That is certainly true with regard to the ward patients. Now the Minister of Finance comes along and instead of relieving these hospitals which are financially embarrassed, he taxes the donations that are made to them. I submit that there is no justification for any such action, which is bound to be reflected in the workings of these institutions. It is going to affect charitable donations to these institutions, which are very much in need of help to-day. If these hospitals are to be maintained, they must have the means to carry on, and I submit that this legislation is bad, and it is bound to be reflected in the carrying on of the work of these institutions. I believe the minister should have a better reason than he has given the committee yet for maintaining this tax.

Mr. ADSHEAD: If I gathered the hon. member's remarks aright, he says that the hospitals are carried on mostly in the interests of the so-called poor people, and that the rich largely contribute out of their means for the maintenance of these hospitals for the benefit of the poor. We in this corner of the House believe and have maintained that the so-called poor man has just as much right to health and the best medical attention as any other citizen of Canada. That is his birthright. We have also maintained in times past, and we do now, that a part of his birthright is a common school education provided out of the taxes upon the community. No doubt in days gone by when schools were not public, philanthropic people gave out of their purses to maintain private schools and give the poor an education. But we maintain that the poor people have a perfect right to health and the best medical attention irrespective of their financial condition. My hon. friend's remarks remind me of the statement that was made by a certain gentleman that the Lord created the poor in order that the rich should shower upon them their philanthropy. We dissent from that, and I maintain that the day will come when the hospitals will be tax-maintained, and when every man will have the right to the best medical attention without being called poor.

Mr. McGIBBON: I do not know what relevance these remarks have to my argument. I am talking of things as they exist to-day. There is no doubt at all that the poor people are being given practically free treatment in the hospitals to-day, and nobody is complaining about that. What I am saying is that these institutions must have financial support, and when people give donations to these hospitals the minister comes along and taxes those donations. I maintain that he has no right to any part of that money.

Mr. HEAPS: I do not know what the hon. gentleman is getting at. He has not shown how much private individuals contribute to the upkeep of hospitals. I can speak with a little knowledge of what is taking place in Winnipeg. Practically all the hospitals in Winnipeg are maintained out of taxes on the community, and I believe that applies to most of the cities in western Canada. Only a very small percentage of the amount of upkeep is contributed by men inclined to give to these institutions. In the case of a poor person who is unable to pay, the municipality is responsible for the amount to the hospital. I believe the very same thing applies in most of the provinces of Canada. I do not believe that five per cent of the amount required for the upkeep of the hospitals is contributed by private individuals in western Canada, and in Winnipeg the facts are exactly as I have stated.

Mr. McGIBBON: I can also speak with a little knowledge of Winnipeg, for I lived there at one time. I say that the municipal tax does not cover the nursing and medical attention. It possibly covers the board bill, and that is about all.

Mr. HEAPS: For a number of years I was on the board of the General hospital in the city of Winnipeg, and also on the city council, which had to deal with this question. I know the number of appeals that the hospitals make in the city of Winnipeg. Only a couple of weeks ago the city granted an amount in the

neighbourhood of $20,000 to make up the deficit on one year's operation of the General hospital. The municipal hospitals of Winnipeg, which take care of tubercular cases—

Some hon. MEMBERS: Order.

Mr. HEAPS: —are maintained entirely out of the taxes levied on the people of the city of Winnipeg, and if my hon. friend from Muskoka-Ontario had become a little better acquainted with the workings of the hospitals in Winnipeg he would not have made the statement he has made about the extent of philanthropic donations to these institutions. There may be some cities where large grants have been made, but generally speaking, the maintenance of these hospitals comes from the revenue derived from general taxation by the municipalities.

Mr. COOTE: I desire to make a protest against any proposal to exempt from income tax any gifts of wealthy people to hospitals or to universities, particularly to the universities. Hospitals should be maintained by the municipalities. I think that is almost invariably the practice in western Canada. We have hospitals in our rural districts which are maintained by the municipalities. The universities should be maintained by the state and should not be dependent in any degree upon private subscriptions. It is the duty of the state to educate our young. Universities should be open to our boys and girls at as low a fee as possible.

I would not support the amendment with any degree of enthusiasm. I have had to earn my own living since I was sixteen years of age. Many of those boys going to universities would be benefited if they had to go out and earn the money to enable them to go through the university. I think it might be just as valuable to them in after life as the training they receive in the university itself. Although I am not going to oppose the amendment, possibly the minister would have been well advised to have left it out of the resolution altogether. I hope the time will come—it may be a long time coming—when boys and girls in the 'teen age, having put in four or five years either on the farm or in the factory, and having a good record from their employers, will be given a chance to go to a university at a cost which they can afford to pay out of the earnings they have made during those years.

Mr. YOUNG (Saskatoon): I do not think my hon. friend who has just spoken should cast any reflection on the boys and girls who go through the university. Like many other hon. members of the House, I have been through a university, and I know that a vast number of the boys and girls put themselves through the universities. I have a boy attending university, as many of us in this House have. A great many of these boys are doing as we did in former days, endeavouring to put themselves through, and instead of getting up and finding fault with the boys and girls who are attending the the universities we should commend them for doing the very thing which will fit them to become good citizens. I am convinced that the vast majority of students contribute largely to their own maintenance while attending university.

Mr. COOTE: Could my hon. friend quote anything I said that would in any way be a reflection on any boy or girl going through the university? If I said anything of that kind it was unintentional.

The CHAIRMAN: The discussion is wholly irrelevant to the matter before the committee.

Mr. CAMPBELL: Will this amendment apply irrespective of whether these boys and girls are under the care of their parents? I think it would be an anomaly if a father, having several children who were out earning their living, possibly at eighteen years of age, could until they were twenty-one claim the exemption for dependent children.

Mr. ROBB: There is no change whatever in the regulation as applied to the age of eighteen years. It applies to dependents.

Mr. BENNETT: I did point out to the minister the difficulties experienced by those who carry on business in partnership as distinguished from those who have companies. The contention is made that two gentlemen across the street carrying on business in partnership pay no income tax in connection with their enterprise, except such sums as are individually drawn out, whereas if two persons link themselves together as a joint stock company, with the aid of one other, they have to pay nine per cent of their revenue. I brought this matter to the attention of the government a few minutes ago and I have not received an answer. The minister was looking into it, and I would like to know his conclusion upon that matter.

Mr. EULER: I may say for the information of my hon. friend—although he knows it probably as well as I do—that the statement he made is not borne out entirely. Two men

across the street form themselves into a limited liability company. If they come under the head of "family corporation" they may elect to be taxed as if such corporation were a partnership.

Mr. BENNETT: But the partnership makes no contribution by way of income tax at all.

Mr. EULER: The partners individually do.

Mr. BENNETT: Only on what they draw out.

Mr. EULER: Oh, no.

Mr. BENNETT: Is that clear?

Mr. ROBB: Whether withdrawn or not.

Mr. BENNETT: That has not been done. My attention has been directed to a concrete case.

Mr. ROBB: I am told by an officer of the department that the members of the partnership pay on the profits whether they are withdrawn or not. I have had some personal experience where profits were not withdrawn.

Amendment agreed to.

Section as amended agreed to.

Resolution reported, read the second time and concurred in. Mr. Robb thereupon moved for leave to introduce Bill No. 150, to amend the Income War Tax Act, 1917.

Motion agreed to and bill read the first and second time, and the House went into committee thereon, Mr. Johnston in the chair.

Mr. ROBB: I move that the committee rise, report progress and ask leave to sit again. By way of explanation I may say that the bill will have to be reprinted to meet the amendment which I introduced this afternoon.

Mr. BENNETT: Would the minister also consider the question raised by the hon. member for Labelle, to which one of the members from Toronto would like to speak, as to whether or not coupons should be required to bear a two cent stamp?

Progress reported.

RULES OF THE HOUSE

REPORT OF SPECIAL COMMITTEE TO CONSIDER REVISION

Mr. SPEAKER: In order to facilitate the business of the House, by unanimous consent we will revert to motions. I beg to lay on the table the report, in both French and English, of the special committee appointed to revise the rules of the House of Commons.

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

PRIVATE BILLS

PATENT OF ALBERT P. FRIGON

The House resumed, from March 8, consideration in committee of Bill No. 42, respecting certain patents owned by Albert P. Frigon. —Mr. Mercier (St. Henri)—Mr. Johnston in the chair.

On section 1.—Term of duration extended.

The CHAIRMAN: Section 1 has been amended by changing the word "fifteen" in the sixth line to the word "ten".

Mr. ADSHEAD: I thought that this bill was to be reprinted as amended. There were so many changes in the original bill that we do not know just where we are.

The CHAIRMAN: The bill cannot be reprinted without an order from the House.

Mr. YOUNG (Saskatoon): Drastic amendments were made in the original bill.

The CHAIRMAN: There is another amendment to section 1. In the sixth line on page 2 the word "forty-one" has been changed to "thirty-six."

Section agreed to.

Sections 2 and 3 agreed to.

Mr. YOUNG (Saskatoon): The preamble was considerably altered, was it not?

The CHAIRMAN: The first three lines of the preamble stand:

Whereas Albert P. Frigon of the city of Montreal, province of Quebec, has by his petition set forth that he is the owner of certain patents—

The word "being" in the seventeenth line is struck out and in the twenty-fifth line the word "forty-one" is changed to the word "thirty-six."

Preamble agreed to.

The CHAIRMAN: Shall I report the bill?

Mr. ADSHEAD: Do I understand your ruling to be, Mr. Chairman, that a bill so radically amended as this one has been cannot be reprinted without an order of the House?

The CHAIRMAN: That is the rule; unless the private bills committee moves for an order to do so—and that was not done in this instance—the bill cannot be reprinted.

Bill reported, read the third time and passed.

MONTREAL, OTTAWA AND GEORGIAN BAY CANAL COMPANY

The House resumed from Monday, March 14, consideration of the motion of Mr. Chevrier for the second reading of Bill No. 78, respecting the Montreal, Ottawa and Georgian Bay Canal Company, and the proposed amendment thereto of Mr. Guthrie.

Mr. G. R. GEARY (South Toronto): Mr. Speaker, I find myself in the happy if somewhat unusual position of being in agreement with the hon. member for Rosetown (Mr. Evans) and the hon. member for Winnipeg North Centre (Mr. Woodsworth). As they have put it, the question is simply whether this House will support the principle of public ownership of public utilities or will sanction the transfer of public utilities to private interests. I take it that the appropriate time to deal with such a matter as that now before the House is on the second reading of the bill. The leader of the opposition (Mr. Guthrie), who is entitled to great consideration when he enunciates points of procedure, has put very clearly before the House the position which the House may and should take on the second reading of a bill such as this. Not only is he entitled to receive the greatest attention, but he is supported by the greatest authority having to do with parliamentary procedure. More than that, what the leader of the opposition has said and what May in his work says will appeal to this House on another ground even more strongly, and that is that it is common sense; it is the sort of deliverance which will appeal to the wayfaring man as showing the only proper and right course to take.

My friend the Minister of Railways (Mr. Dunning) cited the case of divorce bills, an unhappy illustration I should think for his side of the question. Of course when we pass the second reading of divorce bills we accept the principle of divorce; it was accepted a long time ago, and whether or not he who votes in favour of the second reading of a divorce bill believes in divorce, he certainly does sanction the approval long ago given to the granting of divorces by this House. The bill then goes to committee, where it is decided whether the standard set up in regard to that matter has been met in that particular bill, but no one would think for a moment that in committee on a divorce bill that bill should be thrown out because the committee did not approve of the principle of granting divorces.

If we are determined not to give these public rights to private interests, why send the matter to a committee? That would be simply a gesture and a waste of time, the matter having already been decided by the House. If on the other hand you are ready to grant these public rights to private interests, then by all means send the bill to a committee, because there you can settle the details and terms of the surrender. It would seem certain that if a bill is sent to a committee you adopt the principle of the bill, and how anyone can arrive at any other conclusion or make any sense of an opposite view is not understandable. So I say that this House is perfectly within its rights and is doing the proper thing in fighting out on the second reading of this bill the broad principle contained therein.

As the debate has proceeded and as the various arguments have been advanced on both sides of the House it becomes more apparent that the line of division between the supporters of public ownership and those who would give public utilities to private interests runs down the centre of the aisle of this House. I have to go back only to the other day when my friend the Secretary of State (Mr. Rinfret) prevented the hon. member for Bow River (Mr. Garland) from making a speech on this very matter. He did it with all the urbanity possible, and possibly had in his mind at the time those words by Lewis Carroll:

> "I weep for you," the Walrus said;
> "I deeply sympathize.
> With sobs and tears he sorted out
> Those of the largest size,
> Holding his pocket-handkerchief
> Before his streaming eyes.

That indication came from that quarter; another came from the Minister of Railways (Mr. Dunning) and then we come to the hon. member for Marquette (Mr. Glen) and the hon. member for Portage la Prairie (Mr. McPherson), both bringing specious arguments directed mainly against the province of Ontario and its public utilities, but showing underneath them all that while they were struggling hard to find an excuse they felt in their own hearts that they were doing wrong, and that they were striking a blow against a principle which they have advocated throughout their constituencies. I fancy, Mr. Speaker, that the hustings of Portage la Prairie resounded with declarations in favour of public ownership during the last election campaign; I can imagine that the halls of Marquette re-echoed

with the same sentiment, and that in the wide open spaces of those constituencies now represented by my Liberal-Progressive friends the air was filled with the determination of these candidates who now sit in the House to uphold this great principle at all costs. Well, the hustings and the halls are waiting; the wide open spaces are still there, and there remains only the home-coming of these gentlemen, to make some explanation of why, on the first opportunity of striking a blow for a principle they had advocated, they were recreant to their promise.

The hon. member for Winnipeg North Centre in his remarks last night said that the Minister of Railways had removed a good deal of the camouflage which had surrounded this bill. If I may be allowed to say so, Mr. Speaker, I think that is exactly what he did not do; in my humble opinion the Minister of Railways devoted his attention to laying on a particularly thick coat of camouflage. He was debating the amendment before the House, and with the comparatively insignificant omission of any reference whatever to the subject under debate, he made a very good campaign speech. He is not in the House, but I would like to say to him very kindly that during the course of that address it seemed to me that he missed most deplorably the town hall audience which is so admirable a target for such an address. The Minister of Railways wants this bill to go to committee; why? So that the whole question may be before the House. What whole question? Mr. Speaker, the question forsooth of the fight between certain interests known as the Sifton and the Holt interests; that, he said was the bone of contention. I cannot think he is on solid ground there; what business is it of members of this House how Sifton and Holt get on? What have we to do with the gang warfare of private concerns like that? For all we care they may both suffer from their quarrels, the fate of Kilkenny cats. We are here to decide a question which has nothing whatever to do with Sifton or Holt; it is the broad general question of whether we are to control for the people the public utilities of this country.

The Minister of Railways wants the bill to go to committee; why? So that he may commence an exposé of some alleged wrong-doing on the part of the late government. If there has been any wrong-doing, by all means bring it out. If the Carillon order in council contains matters that require explanations, let those explanations be made. There are ways of doing this. Let it come up in the proper way; let the House have the whole matter before it, and if there was any wrong-doing on the part of the previous Conservative government, let it be brought out. No one will welcome that more than those who sit on this side of the House. We do not believe from what we hear there is anything in the one-sided story which the Minister of Railways has given to us; but be that as it may, I still say that it has no relevancy whatever to the discussion in which we are engaged at the present moment. May I suggest in all kindness that the reason why the Minister of Railways, speaking for the government, wants this bill to go to the committee, is that he may, by calling witnesses for this and that, by raking up scandals and old political scores, endeavour to evolve political material for the next occasion on which he may hope to use it.

The government has deliberately, so he says, brought up this matter. If that be so, I wonder at their bringing it up by way of a private bill advanced by the hon. member for Ottawa (Mr. Chevrier). If they want to make the fight and bring the whole matter up for discussion and settlement by the House, let them come at it direct and unafraid and not shelter their attack behind a private bill introduced by a private member. The speeches of hon. gentlemen opposite seek to divert the attention of the House from the real issue. It is all very well to speak of the northern part of Ontario and its power problem, to talk of the Gatineau, to hold out fears of this and that; but the purpose underlying all the addresses made on the opposite side of the House is manifest to everyone who is here, namely, to divert our attention from the matter that is really before the House for discussion. The Minister of Railways made an admirable speech of its kind; but, as I say, it had absolutely nothing to do with the matter under discussion. If we analyze it in its application to what we are discussing, and if it is an argument at all, it is that sort of argument which is variously described from the "tu quoque" of the erudite down along the line to the equally understandable colloquialism of "so's your old man." In other words, it is that sort of argument that finds its ultimate conclusion in this and in this only: "If we are doing wrong, we are excused because you also did wrong."

I shall not pause to consider longer the red herring which has been attempted to be drawn across the trail, the red herring of the Carillon order in council. But this side of the House is, I am assured, ready and willing to meet any discussion on that matter when it is brought up for discussion. I mistake very much if the most thorough search

amongst the proceedings taken by the late government will show that there is any deep-dyed villain in the plot; that there has been any plan which has a bearing directly or indirectly upon the question of the Ottawa and Georgian bay canal. Be that as it may, if the government be sincere in what the Minister of Railways has said, let it open up the matter as soon and as widely as it can.

The government may have a suspicious mind; it seems to have imagination. A theory is propounded that strikes one as being the sort of stuff that dreams are made on. The same suspicion seems to have been aroused in the mind of the hon. member for Marquette (Mr. Glen); but strangely enough that suspicion did not first find expression in this House. It found expression first in an interview granted by one of the Siftons, I think Mr. Harry Sifton, and quoted in this House not long ago, when he said that the whole secret of the opposition to the bill lay in the fact that the St. James street interests, or the "crowd", or whatever the words were, had tried to run Canada and, failing in that, they were now endeavouring to run the House of Commons. That is the genesis of the whole argument. That is where it sprang from. If it has been adopted by the government or by the Liberal Progressives, so much the worse. Any member who is swayed by such clap-trap as that is welcome to the sensation.

Are we to renew this charter which is now thirty-four years of age, with nothing as yet accomplished, nothing attempted to be done? Is it to be forever rejuvenescent? Are we to be met every year or every two or three years, or whatever the terms of the extension may be, by the Siftons holding for ransom one of the most valuable rights that Canada can give away. This is the time and this is the place when we should strike a blow that will deliver us from this threat now and for all time to come.

A great deal has been made by the interests who are supporting this bill of an amendment which was introduced into a renewal act dated in 1912, whereby the price of power was to be fixed before sale by the Board of Railway Commissioners for Canada. The literature of parties supporting this bill, sent out from time to time, has made a great deal of capital of the statement that Sir Adam Beck agreed that the bill might go through provided only that this clause were inserted. It is within the memory of man that that is not the case; it is not true. Sir Adam Beck was here in 1912 fighting this bill as hard as he knew how. He was overcome; the bill was going through and he saved what he could. He accepted the clause which the committee offered to put in, fixing the price of power by a reference to the Board of Railway Commissioners; but to say that he consented to the bill then or at any time before or after, is an absolute untruth. He did not consent to the bill; he opposed it to the best of his ability, and as the result of his fight he only managed to have that clause, a futile clause, I may say, inserted in the bill.

Can we consider that as some sort of clause which will help us in the sale of power? What is to be the price of power? To begin with, the Board of Railway Commissioners has no facilities whatever for determining what shall be the price of power, and the price of power generated in the Ottawa river will be the price not only of the power itself but of the canals and other works that go to make up that scheme. The board has announced the policy and it has adhered to it in case after case that on all common stock of companies, like the Bell Telephone Company, which handle public utilities, there shall be an 8 per cent dividend and over and above that a 2 per cent allowance on capital stock for profit. That means a 10 per cent return on all the company's stock, watered as it may be. You would have something that people would find absolutely impossible to overcome in purchasing power. The owners would have along the Ottawa river a monopoly that could not be met by any development which the Ontario hydro has. What the traffiic will bear will govern the price.

I believe Quebec is just as much interested in having its industries along the Ottawa river maintained as is Ontario, and the rights of these two peoples, on either side of that great interprovincial stream with its unlimited water-powers, are to be sacrificed to the demand of politicians, whether associated with the government or not, who seek to get this great heritage for their private and personal ends.

This is ostensibly a canal, Mr. Speaker. Very well, then; if it is a canal, why have it built by private enterprise? The day of the toll gate is past. We can remember roads than ran through Ontario, and hon. gentlemen will no doubt remember them in every other province, where you had to pay at a gate every now and then for the privilege of travelling over that road. That is a thing of the past, and yet this bill proposes to make a great national waterway, something of infinitely greater importance than a road, subject to tolls at the instance of a private corporation. But we need not concern ourselves much in regard to the canal or the canalization part of this bill. The Minister of Railways and Canals who spoke

on behalf of the government the other evening said that this is not a canal scheme but a power scheme, and the whole question is as to who shall have the control of this vast reservoir of power. Then are we here, I ask once more, to determine a fight between two rival interests, or are we to determine a fight between private enterprise on the one side, and on the other the control by the people of this Dominion of their own great natural resources in order that they may develop them for the public good?

The maritime provinces have grievances, Mr. Speaker. Out in the western provinces the question of the natural resources being returned to the provincial government has become an active issue, and we hear that claims are being made in British Columbia for the return of what they consider themselves entitled to. Here we in the central provinces are asking at the same time for something of the same sort. We do not claim anything positive. All we say is that the Dominion government must keep its hands off our natural resources, that this great interprovincial river, with its almost undreamed of power possibilities, shall be preserved to the people of these two provinces, so that they may develop their resources as they see fit.

One hon. gentleman opposite the other evening was quoting from an editorial in a Cochrane paper. The editorial, as far as I heard it read—it was not all read—was complaining that the Ontario government or the Hydro Electric Commission of Ontario would not step in and relieve the people of that district from the imposition of tremendously high power charges, charges that were being imposed by a private company. If anything were needed to sustain the position of the province of Ontario as to the wisdom of putting into the hands of public enterprise the development of electrical energy throughout the province, then that agitation in Cochrane is sufficient. My own personal view —I do not say that it matters what my view is, but I am one of those who believe that the province of Ontario made a great mistake when it did not go into that northern country with its hydro enterprise. We should have introduced hydro-electric power under the Hydro Electric Commission of Ontario into that northern country. Perhaps it seemed too big a thing. Whatever the reason was, and what it was I do not exactly know, we refrained from going into that northern country.

Mr. MANION: They have power at Nipigon.

Mr. GEARY: I am speaking of that part of northern Ontario, around Cobalt and Cochrane. We refrained from going in there, and that editorial that was read from the Cochrane paper was, as I say, proof of the great mistake that was made not only by the government of Ontario but by the people of that district, in not insisting that electrical energy should be developed from the water-powers of that part of the country for the benefit of the people at cost. They are suffering from high charges now, owing to somebody's fault, and if we had to do it all over again we should introduce hydro-electric power all through that part of the country.

Reference has been made to the Gatineau. The gentleman who made that reference adduced it as evidence that Ontario was not sincere in its development of hydro-electric power. The difficulty in Ontario is that we have exhausted all our available power. We are facing a shortage of power. We cannot get power from the St. Lawrence development for many years to come, and long before that power is available we shall have suffered a shortage running to something like 100,000 horse-power per year. Something had to be done, and the commission, according to their best judgment, did as they did at the very inception of the enterprise; they bought blocks of power from private enterprise, and then distributed that at cost, as though they had developed the power themselves from our own resources. It is not that Ontario in any sense is going back on the hydro-electric policy, and my hon. friend who voiced the dread the other night that perhaps we might be led from that path need have no fear. It is not the government of Ontario, but the municipalities of Ontario, that have put up their money; it is their enterprise and their money that built it. All that the government does is to endorse our cheques; it is the municipalities that are responsible. We have $290,000,000 invested in that enterprise now, and we are not going to see it fail; so my friend from the west need have no fear.

I do not intend to detain the House at any length on this matter, except to try and impress once more that if you do not kill this bill, and kill it at the first opportunity you have, it will drag on subject to all sorts of pressure, influences, arguments and persuasions, until goodness knows where we shall get with it. Now is the time to deal with it when we can administer the final death

blow to the enterprise, and leave that whole territory with its vast potentialities, that rich source of power, the Ottawa river and the French, open to the people of this province to develop as they have developed other resources in the many years during which we have had the hydro; and open too, on the other side, to the province of Quebec, so to utilize their own natural resources that they will not be hampered by their being placed in the hands of private interests, who naturally will, as they always have done, farm those natural resources, exact high rates through monopoly control, and bring about the very state of affairs which Ontario had to get out of years ago.

Let me tell the House the origin of the hydro-electric power enterprise of Ontario. It was just because private enterprise had their hands upon the supply of power, with the government of the province of Ontario session after session giving away new power advantages to these private corporations, the rates the people were being charged became unendurable. The people were being milked Moneys were exacted from them till they rose as a unit and said: "No more of this. This private control of public utilities without which we cannot do must no longer remain in the hands of private corporations to be exploited only for their own selfish interests. It must be in the hands of the people who originally held this water-power tumbling over falls in the course of nature. It belongs to the people of the country, and it should be utilized for them alone." And we in Ontario rose to the occasion. We had the courage of our convictions, and in town after town, township after township, city after city, we put up tens of millions of dollars, and in Toronto tens upon tens of millions of dollars, backing our faith with our money. And we are successful. We are meeting all our obligations, and the people are getting what they are entitled to—power at cost, free from all the unrighteous demands that private enterprise from time to time has put upon them.

I have just this word to say in conclusion. We must not be criticised for fighting this bill at this stage. We have got to take every opportunity to strike a blow for the principle that underlies our opposition to this bill. If hon. gentlemen opposite can convince themselves that they should allow the Ottawa river to be given to private enterprise, let them pass this bill. If, on the other hand, they believe as we do, that the power belongs naturally to the people of this country, and should be developed by the people for the people, and at cost, free from all the unrighteous profits made by private enterprise, they should determine at this stage to cast a vote in favour of this amendment, and thus do away with any possibility of this interprovincial stream with all its potentialities being diverted from the uses of the people to the uses of private interests.

Mr. BENIAH BOWMAN (East Algoma): It has been interesting, Mr. Speaker, to listen to the discussion upon the bill before the House respecting the Georgian bay canal. We in northern Ontario are vitally interested in this matter, because a waterway from the Atlantic to the head of the lakes that would pass by our front door would mean something to northern Ontario. It would mean a great deal to the district of East Algoma, which I have the honour to represent in this House.

Listening to the discussion as it has proceeded I could not help wondering whether we were afraid that the canal would not be built, or whether the fear was that the canal might be built. Frankly I almost think the apprehension is that the canal might possibly be built. I am convinced it would be of great advantage to the Dominion of Canada. It could not help but prove of wonderful advantage to northern Ontario to have this great waterway pass along just where it is needed in order to benefit that section of the country. During the past number of years that district has made rapid progress. For a long time it has been asking for hydro development and it is greatly interested in this scheme. It is true that in old Ontario the hydro-electric has made wonderful progress because of the fact that behind the project are strong municipalities that are able to give their bonds under the guarantee of the government of Ontario. That is the system on which the Hydro Electric Power Commission is able to function in Ontario.

The discussion so far, rather than following along the line of the canal, has drifted into a discussion of power development; I wish, therefore, to speak for a few minutes on that phase of the question. Northern Ontario has not had the advantage of hydro-electric development. I think I am correct in saying —and someone will correct me if I am wrong —that there has been only one power development in northern Ontario by the Hydro Electric Power Commission, and that development would not be possible were it not for the cities of Fort William and Port Arthur. Northern Ontario is a new country and it has not been possible for the hydro-electric commission to develop those powers, owing to the lack of municipalities strong enough to get

behind the scheme; and so the developments in northern Ontario have been made by private concerns and private capital. Were it not for the private capital expended in northern Ontario that country would not be developed to the extent that it is to-day. Where is the government, where is the parliament, that would pass estimates for large, untried developments when the public does not know whether or not they would be a success? Private enterprise has gone into northern Ontario and made that country what it is to-day, and, Sir, this House is not in a position to vote $100,000,000 to go on with the project. I feel quite sure that unless this development is undertaken by private enterprise the Georgian bay canal will not be built. I do not know whether or not the Georgian bay canal is feasible. I do not know whether or not this is the right company to develop that project, but I do say that this bill should go to committee, and in the committee we ought to have an opportunity of gathering the facts and hearing the different people who are interested in it so that we may form an opinion and decide whether or not the bill should be passed.

It is said that this development ought to be carried on by the government, and that is quite true; that would be the proper course if the government were in a position to go ahead with it. But I say, Mr. Speaker, that it is not going to be very long until this House will have to decide upon another development, namely, the development of the St. Lawrence. I am satisfied that the government will not be prepared to find the money for both of them in the near future.

We in northern Ontario, I repeat, are vitally interested in the bill which is now before the House. It is true the charter was granted a long while ago and has been renewed time after time, and apparently nothing has been done. But conditions have changed, and I think it is only right and proper that we should ascertain at this time whether this company is prepared to proceed with this development or whether it has something else in view. If the company intends to develop the power and does not intend to go on with the canal, we should know it. On the other hand if we do not allow this or some other private company to go on with this development what guarantee have we that these powers will be developed by the province of Ontario or the province of Quebec? Judging from the discussion which we have had in this House it would seem to be the view of some that if these powers were developed by private enterprise they would be of very little use to the province of Ontario or the province of Quebec. But these powers are still in Ontario and in Quebec, and I feel quite sure that the power would be used here and not transported to a foreign country. So that if this power is developed, even by private enterprise, it will be here to be used by the people who need it.

I say further that if the reported arrangement with the Gatineau Power Company for current at $15 per horse-power is correct, the rate is about as cheap as the Hydro Electric Power Commission can furnish power. I am not arguing in favour of the hydro buying power from private concerns, but it will be difficult for the Hydro Electric Power Commission to furnish power very much cheaper than that $15 per horse-power.

Mr. HEAPS: Can the hon. member give his authority for the statement that he has just made? I know we are developing power out west for as low as $10 per horse-power.

Mr. BOWMAN: I think you have cheaper power out west than we have in Ontario.

Mr. HEAPS: It is generated 70 miles away.

Mr. BOWMAN: If I remember aright Winnipeg has about the cheapest power on the North American continent, certainly cheaper than we have in Ontario. The very same argument quoted from the Cochrane newspaper has been used in connection with the Hydro Electric Commission. It is true that the large centres are receiving their power cheaper than the smaller places, and many complaints have been made by the latter that the price they are paying is too high. I do not want to be misunderstood. I am strongly in favour of the hydro-electric power development wherever it is possible, and I believe the hydro commission has been doing its very best for the province as a whole, but the fact remains that the outlying districts feel they are being charged rates that are too high. The reason is, of course, the cost of the power lines, which are expensive to construct.

I say again, Mr. Speaker, that we in northern Ontario feel that the only way in which this development will ever be proceeded with will be through private enterprise, and undoubtedly such a development

would be of great benefit not only to the north country but to the Dominion as a whole. For that reason we are anxious to see all the facts brought out so that we may be in a position to judge the matter on its merits.

Hon. E. B. RYCKMAN (East Toronto): I find myself, Mr. Speaker, very much in the plight of the Minister of Railways (Mr. Dunning) when he said last night that he intended to speak upon this question without very much preparation. However, having lived in the city of Toronto, and being familiar with the great benefits that the Hydro Electric Power Commission has conferred upon Ontario, I feel that this is an opportunity to declare the faith that is in me, a faith that I believe is held pretty generally throughout the country by all who know what the development of hydro-electric power under public ownership has meant for this province.

But what troubles me is that we are dealing with a bill that, mark you, does not mention a single word about power. This bill which we have so long discussed is a pure sham. In support of that statement I appeal to the recollection of the House as to what the Minister of Railways said last night when he jumped into this fight. He stated: Now, we all acknowledge that the bone of contention with respect to this bill is which of two private interests shall control the Carillon power. The first bill incorporating this company was passed thirty-four years ago when our predecessors had not the slightest thought of the development of the water-powers of this country. What do we find to-day? By a fluke and a side issue what never was in the minds of the original incorporators is now, according to the Minister of Railways, the chief consideration upon which hon. members are asked to decide whether or not this bill shall be given second reading.

It is plain that what is involved in this bill is not the construction of a canal but the acquisition and development of very valuable water-powers that the promoters—and I have no doubt there are more than two parties—would like to secure, and therefore I say it is time for us to pause before we take further action. I am satisfied that nothing in the nature of a canal is contemplated by those who are seeking a renewal of this charter. If it were possible to test the real opinion of hon. members, I feel certain that everyone in whatever quarter of the House he sits would acknowledge that there is not the slightest chance of a dipper of water being turned into any canal that will ever be built under this legislation. But we find northern Ontario declaring: Oh, the north needs a canal. I am confident that it does, and I would welcome the construction of a canal for the benefit of the people there who might have occasion to use it with profit. But the bill is so framed that there can be no possible prospect of a canal ever being built under it.

This measure, Mr. Speaker, reminds me of a bill that was before this House in 1925 to sanction the Petersen contract. That contract was signed by the then Minister of Trade and Commerce on behalf of the Dominion. The preamble of the bill with a great flourish set out that it was important in the interests of Canada that the Dominion should control ocean freight rates. But having read that contract, it was apparent to me, as it must have been to anyone who read it intelligently, that instead of giving to the Dominion the control of ocean freight rates, it placed that control absolutely in the lap of the late Sir William Petersen. That was the contract which the Prime Minister supported.

On motion of Mr. Ryckman the debate was adjourned.

Mr. SPEAKER: The hour for private bills having been exhausted, the House will now revert to supply.

SUPPLY

MINES AND GEOLOGICAL SURVEY

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

For investigation of mineral resources and deposits; of the mining and metallurgical industries, and of mineral technology; wages, expenses of testing and research laboratories, investigations by Dominion Fuel Board, including salaries and all other expenses	$192,000
For publications, English and French, purchase of books, laboratory supplies, instruments, miscellaneous assistance and contingencies	40,000
For transportation charges from outlying provinces on ore shipments which may be sent to the ore dressing plant of the Mines branch at Ottawa for testing purposes, under regulations approved by the Minister of Mines	1,000
To compensate J. H. Fortune for quarters, fuel, light and water supplied him as resident caretaker of the Mines branch building, Sussex st., vacated because of the necessity of utilizing the caretaker's quarters for storage and laboratory space	400
	$233,400

Mr. SIMPSON: How much of this amount was spent in actual field investigation, and how much in Ottawa?

Hon. CHARLES STEWART (Minister of the Interior): Not much of this vote is spent in field investigation; that comes under the vote for geological surveys, for which $205,000 is asked. The vote covers chemical analyses in the laboratories. It is largely for the purpose of fuel testing, ore dressing and work in the metallurgical, ceramic and mineral product testing laboratories. In investigations of this character $192,000 is spent.

Mr. FRASER: Is that spent in Ottawa in the Booth street works?

Mr. STEWART (Edmonton): Yes.

Mr. FRASER: Have you any plans for the extension of those buildings or would that come under some other vote?

Mr. STEWART (Edmonton): That is a separate vote. Buildings come under the Public Works department. We had an extension last year and it is planned to extend the Booth street laboratories still further.

Mr. FRASER: Does the minister consider such extension necessary?

Mr. STEWART (Edmonton): Yes.

Mr. FRASER: Is a vote being asked for this year for the purpose?

Mr. STEWART (Edmonton): We have not asked for one yet, but we expect to do so.

Mr. GUTHRIE: The whole vote for geological surveys and for mines is some $600,000, of which, according to page 92 of the estimates, $571,085 goes in salaries. There is an increase of six in the number of civil servants in the Mines department. How is this increase explained?

Mr. STEWART (Edmonton): Perhaps my hon. friend will wait until we come to civil government, when I shall be glad to give the information in regard to the staff.

Mr. PARENT: Has any report been made by the officers of the department regarding the Labrador survey?

Mr. STEWART (Edmonton): I cannot answer that question, but I do not think so. If hon. gentlemen will confine themselves to the item under discussion I can give at the proper time a detailed report of the geological survey work being done in each of the provinces.

[Mr. Speaker.]

Mr. MANION: Has the minister any statement to make regarding investigations carried on in the development of the lower grade iron ores? I understand that the department, under Doctor Camsell, the deputy minister, has been looking into this important matter, and we ought to have a statement from the minister.

Mr. STEWART (Edmonton): I have not the report I want, but perhaps this will serve; this is the report for 1925:

> The progress during this year on the pyrrhotite-pyrite treatment continued with quite encouraging results. Problems in leaching, in purification of electrolytes, and in deposition of iron were successfully overcome. An attempt to develop a new process for the treatment of ilmenite ores was started in September. The process has for its purpose the conversion of the iron oxide to the metallic condition by means of carbon in a furnace at 1000°C. The titanium oxide is unaltered under the conditions used, and the metallic iron is separated by leaching with ferric chloride leaving a high grade titanium oxide residue suited for pigment manufacture.

What we have been doing in a general way is to try to discover a process which will enable us to work our own iron ores, and in so doing we have been taking the processes discovered in other countries and applying them to our ores. We have not made a considerable success; one cannot say that we have yet reached a state where we can say to the investor that we have a process which is commercially workable for the treatment of our low grade ores. We are spending considerable time, however, and watching everything new in this field. Just recently the chief metallurgist of the United States government was here, and in the future we will work very closely in coöperation with the Bureau of Mines of the United States on this very important problem. Suffice it to say in a word that while we have made considerable progress we have not yet arrived at the stage where we can say that a process has been developed which can be worked on a commercial scale.

Mr. MANION: I appreciate what the minister has said, of course; no real result has been obtained as yet, but at the same time on the American side, especially in Minnesota, I believe they are working very successfully on low grade iron ore judging from reports I have received. Of course it is not the duty of the minister to know all the details, but his deputy is probably familiar with them and I would like to impress upon the minister the fact that this is of vast importance. I have considered the matter and have given a great deal of study to it, and

I know of no question the solution of which would be of more importance to this whole Dominion than the question of the development of our low grade iron ores on a commercial scale. Probably it will be impossible ever to develop those ores in such a way that they can compete with the higher grade ores of the United States without assistance in some form, but I do wish to impress upon the minister the importance of giving every attention to this matter. I hope he will personally look into it, because it is really of grave moment to Canada. The solution to that question would put us in a position to use the thousands of millions of tons of iron ore which we have in this country, and it would mean a vast industrial development in Canada.

Mr. STEWART (Edmonton): We are very much alive to the importance of scientific research in this direction, and we are watching every development and keeping in close touch with every move made by the Bureau of Mines of the United States, the Mining Institute of England and similar institutes throughout the world where a study of this question is being made, because without doubt it is one of the most important matters confronting Canadian industry. One rather pleasing feature is that the high grade ore in the United States, as my hon. friend knows, is rapidly nearing depletion as is their anthracite coal, and the problem of our low grade ores, which I think are quite comparable to theirs, will then be brought very much to the fore. So I think we all realize the importance of discovering processes and methods which can be commercially applied.

Mr. BENNETT: I desire to make some few observations with respect to this department generally. For a few weeks—it is a pity it was not longer—I was acting minister of this department, which is manned by a number of very efficient, hard-working and not over-paid officials. In the main they are endeavouring to do a great service to this country, but the real fact is that a very great proportion of this amount asked for is money absolutely lost. Why? Because in the first place in each province there is at least one university undertaking to do some of this work; then again the province is endeavouring to undertake some part of it, and there is also the Research Council which desires to take its share of this obligation. Unless and until there is coördination of the efforts of the provinces, through the universities and through the departments of government, the Research Council and this Dominion, I am bound to say that the federal Department of Mines becomes more or less the fifth wheel on the coach. What is the sum total of the real services rendered by this department to the Dominion of Canada during the past twelve months? Just sit down and consider that question. We spent over half a million dollars in this department; what is the sum total of its contribution to the wealth of the nation?

The great problem now confronting us is how most readily to create new wealth, and mining offers a very ready means to that end. Last year we created new wealth through mining to the extent of something over $242,000,000. I use the word "create" perhaps not in the exact sense; we took that amount of new wealth out of the earth and converted it into products which were convertible into money to the extent of nearly a quarter of a billion dollars, the largest amount we have yet succeeded in realizing in this way. What contribution was made by this department? What did it do to make it easier for the men who labour this year to win from the soil its precious minerals in order to make new wealth, as compared with the preceding year? From the closest study I have been able to make, and I have looked into it carefully, I submit that we have not coördinated as we should the efforts of this Dominion in this direction. I find a university doing something; the Research Council wants to do the same thing. Take for instance a matter of which I was speaking to the minister only the other day. South of Calgary we have large pools of natural gas, and great efforts have been made to utilize these for the public good; they supply Calgary with heat but not with light. In addition to that, after the crude naphtha is taken from the wet gas which comes from the earth, a large proportion of this gas is lost or burned up, and the question of what can be done with it is engaging the attention of scientists. Up to the moment no one has been able to arrive at a conclusion, but instead of having a real coördination of effort on the part of the departments and services interested, that is the universities, the provinces, the Research Council and the Dominion, separate efforts are being made with a result that nothing is achieved.

We know that carbon black can be taken from that natural gas after the crude naphtha has been removed, but we also know that carbon black, or lamp black as we used to call it as boys, is only available to the extent to which a market can be found for it. There is a market for this product in Canada: it is used in the rubber business. It is also used

in the printer's ink business, but under existing tariff conditions that lamp black could not be made a valuable item of commerce. It would require some measure of protection. The Alberta government looked into the matter, but I find that nothing has been done by this department in order to arrive at a definite conclusion with respect to it. I expect the federal Department of Mines to be able to assist affirmatively and constructively with regard to matters of that kind where the question of a market depends upon the economic conditions in the country, the demands of foreign countries, and the prevailing prices at which the commodity can be manufactured in other places with which we compete.

There was another matter in connection with the peat bogs at Alfred; I had occasion to look into that. There was another in connection with the Fuel board—about which I fancy the minister proposes to speak at length in a few moments—and another mentioned by the hon. member for Fort William (Mr. Manion), the utilization of low grade ores. That is secondary to the question of the utilization of high grade ores. I urge upon the minister that an earnest effort in that regard be made not on paper, but in fact, because I have seen memoranda prepared from time to time. Men lose their imagination, their constructive power; they become mere writers of memoranda which circulate from one branch of the service to another and which are ultimately printed in book form. Last year we had 223 employees in this branch; this year we have 229. Last year we spent $548,000; this year the amount is $571,000. I ask: What is the sum total of the achievement in the department last year toward making it possible for new wealth to be created or won by Canadians out of the soil as compared with the preceding year? That is the test of usefulness in this department. I suggest that the proper thing to do is to link its activities up with the activities of the universities, the provinces and the research council. It is in that sense that I offer these suggestions to the minister at this time, because I feel sure there are many who are thinking in the same terms.

Mr. STEWART (Edmonton): My hon. friend had an opportunity of looking into the Mines branch while he was minister.

Mr. BENNETT: A few weeks.

Mr. STEWART (Edmonton): I think he missed a good deal—

Mr. BENNETT: Oh, yes.

[Mr. Bennett.]

Mr. STEWART (Edmonton): —because my hon. friend will admit, as a clever lawyer, that experimental work does not immediately show results. All experimental work must of necessity take time and money if results are to be obtained. May I point to a single instance, that of the discovery of Marquis wheat? One individual worked here for several years before making that discovery.

Mr. BENNETT: That was not in this branch.

Mr. STEWART (Edmonton): May I point to others in this particular branch, for instance, in the fuel branch? Very valuable information has been obtained in connection with the utilization of fuel. It would take a good deal of time to explain just how much has been done in that regard. If experimental work must immediately show results in dollars and cents, then we shall not get very far with that work. During the regime of the government previous to ours, experimental work was carried on in fuel testing and in the development of a process for dealing with low grade coal in Saskatchewan. We all decried the efforts and deplored the fact that they spent $1,000,000 with apparently no results. As a matter of fact, this led to results ultimately and they are able to get a successful fuel which they can put on the market to-day.

Mr. BENNETT: To what extent?

Mr. STEWART (Edmonton): To the extent that they can sell it successfully. Of course the Alberta fuel is a strong competitor.

Mr. BENNETT: Then the economic value is very small.

Mr. STEWART (Edmonton): The economic value is great and the work can be done. While the board turned this plant over to private individuals who are not altogether satisfied with the process discovered and who have been working on a German process, nevertheless—

Mr. BENNETT: A process which existed before our efforts were made.

Mr. STEWART (Edmonton): Not altogether. It rather was a process going on at the same period that ours was in progress. I question very much whether the German process is as valuable as ours. Perhaps we should not say that it is altogether our own because a fair proportion of the discovery was made in the United States at the university of North Dakota.

As regards the other aspect of the matter, my hon. friend will not for a single moment

denounce the work of the geologists, the field men who are doing geological survey work in Canada. They have been of immense advantage to the mining industry of this country, as my hon. friend will admit at once. That makes up $205,000 worth of the appropriation and these men are operating in every province in Canada.

Mr. BENNETT: They duplicate the efforts of the province of Ontario in its mineral branch.

Mr. STEWART (Edmonton): Not that I know of. In the geological work?

Mr. BENNETT: Yes.

Mr. STEWART (Edmonton): Not so far as I know. The laboratory work is not overlapping to-day to the extent that it was in former days. Since coming to Ottawa I have had the satisfaction of getting coöperation between the Research Council and the officers of our department so as to prevent overlapping in the experimental work and technical and scientific investigation. In other words, in Ottawa we are not duplicating what is being done in Alberta or Saskatchewan.

Mr. BENNETT: Oh, oh. I do not want to interrupt the hon. member. I will explain later.

Mr. STEWART (Edmonton): Fuel testing is being done here, and no fuel testing work is being done in Canadian universities. The wood-testing laboratory situated in the university of McGill in Montreal is carrying on a very important work, work so important that gentlemen interested in the same class of work as that in which my hon. friend is interested, namely, the paper-making industry, have thought fit to advance the sum of $350,000 this year for the purpose of constructing a building which they will turn over to McGill university. That shows how important they consider the wood-testing plant to the pulp and paper industry of this country.

Mr. BENNETT: The paper industry is doing that itself.

Mr. STEWART (Edmonton): They have invested that money in the construction of a building in order that experimental work may be carried on.

Mr. BENNETT: But the government is not doing it.

Mr. STEWART (Edmonton): The governmen has supplied the staff and it is the government staff who are doing the work. The government is paying the staff as it has been doing for several years.

Mr. BENNETT: Only partly. The hon. member knows that.

Mr. STEWART (Edmonton): I point these instances out to my hon. friend simply to show him that these great industries are so interested in scientific research that they are willing to invest these sums of money in it. If my hon. friend asks them what particular branch of their industry they think this has benefited, they might answer in a very offhand way: Well, not anything of a very definite character, but scientific research is so important in regard to many of our problems that are giving us trouble that we want investigation carried on in the laboratories in connection with them. I might mention the extraction from jack pine of the resinous content, the handling of the cottonwoods, the high grade treatment of pulp manufactured even from our best grade spruce. These are all problems that can be worked out in the laboratory. I mention these in passing to show the importance of this work.

The hon. member for Fort William has touched upon another important problem. If my hon. friend would ask me what the United States, who are spending millions of dollars instead of thousands, and rightfully so, have accomplished in securing a better process for the treatment of their low grade ores, I would say that they have made no greater progress than we have. Our chemists are working on this problem, just as they are on oil problems and on the treatment of the gases which my hon. friend mentions. Three years ago a company was given a lease in Alberta for the manufacture of carbon black. They never went into business. Why? For the simple reason that I would not give them a lease in the areas contiguous to railways, but only in the areas where gas was escaping anyway. That was in the Pelican rapids field, a long distance from the railways. My hon. friend knows that the very rapid development in the southern states brought into the market tremendous volumes of gas which was turned into carbon black, with a consequent reduction in price to about six cents a pound, so that this company could not hope to exist.

So far as all these problems are concerned, may I say to my hon. friend that a very real effort is being made to prevent overlapping by the universities, the National Research Council, and government departments. I have on my desk in my office a list of the problems that the council have announced they are now investigating. They are not all in Canada, but the council is watching every one of these problems. I might add

that, in order that we might have information, I have sent Mr. Camsell to Germany on two occasions to study processes for the better securing of oil from our oil sands. Subterranean mining and all that sort of thing has been investigated by this department for the benefit of the mining industry of Canada. As to the amount of money expended, I believe that the people of Canada will get more results in a monetary way from this technical research work than they could get from any other expenditure except upon like objects.

Mr. BENNETT: I just want to make clear one thing. I suggest that a particular branch of that work be taken by this department, leaving to the universities another branch, and to the provinces another branch, rather than that an effort be made by the three to undertake this work jointly; and the same with respect to research. With respect to the paper industry and what has been done as a gift, surely my hon. friend was not here the other day when Dean Hibbert of McGill made his address, a most amazingly interesting address it was too, with respect to the utilization of scientific research in industry. But as perhaps my hon. friend knows, the chair that Dean Hibbert occupies was established through the benevolence of the late Mrs. Eddy, who left $200,000 to the university for that purpose. That is how the chair came into being, and the paper industry put up $350,000 for the purpose of providing a building for McGill.

The hon. gentleman knows that I share his views with respect to the value of research. All I was endeavouring to make clear to him was this: Could we not make it certain that the university, the province, the Research Council, and this department should each pursue definite lines of action so as to prevent the possibility of duplication? I think the minister has endeavoured to do that, but it has not always been done, I regret to say. If he exercises firmer control over that matter we should get better results.

I know what research means. All one has to do to appreciate its value is to remember what the Germans have done with respect to research. Take, for instance, the specific known as 606, which has been so valuable in disease. It represented 606 different experiments, any one of them taking sometimes months to carry out, with measurements and everything of that sort; hence the name, 606. That gives one some idea of what research means. On the other hand, I think it is desirable that one body should be pursuing one definite course of experimental work and another body another line, in order that there might not be duplication, and in order that there might be a correlation of their effort when they finish their experiments.

Mr. MANION: I think my hon. friend from West Calgary is right in his contention that there should be probably more coöperation than there has been, only, between not the universities and this department but also between the universities and the provincial departments. I have a great deal of sympathy with the minister in regard to the work that has been done by the Mines branch. I remember during the past year some friends of mine basing their explorations in a new mining section of this country absolutely upon reports made years before by some mines branch—I do not know whether it was of this government or of a provincial government. But these men actually went out and searched for minerals basing their explorations entirely on this report, made many years previously, and they found veins in the Woman lake and Red lake country which promise to be immensely rich. I have a very great deal of respect for the work done by the Mines branch, and I agree with the minister that its value cannot be estimated except over a period of years.

I wish to come back for a moment to the iron question. It is of so much importance that this government might well consider the advisability of adopting the report made in 1923, I think it was, by the committee appointed by the Drury government. In that report, as I mentioned in my remarks on the budget, it was recommended that the provincial and federal governments combine in a bounty system to develop the iron ore resources of this country. I pointed out at that time that Mr. Corliss, of the Mond Nickel Company, had quoted American geological survey experts as saying that we had 9,000,000,000 tons of low grade iron ore, 35 per cent ore, in this country, which could be developed if a plan were evolved for that purpose. Obviously 35 per cent ore cannot compete with 45 per cent ore without assistance of some kind from either the Dominion or the provincial government. I remember in 1924 putting a question on the order paper addressed to the present minister, then Minister of Mines, asking him what was being done in regard to that report, and he said that it was under consideration. That was three years ago. The Minister of Finance told us this afternoon that several matters were still

under consideration, and I presume this iron ore report is still under consideration—or perhaps it has passed out of consideration altogether. The minister might be well advised, however, even with his more or less pronounced free trade views, to consider on behalf of his government the possibility of adopting that report and coöperating with the provinces of Ontario and Quebec. The province of Quebec, in view of the immense deposits of titanic iron ore discovered around Chicoutimi, put through a resolution in 1925 advocating a bounty system. If the minister would come forward with a bounty system for developing our iron ore deposits that would prove a success, as I believe it would, its value to this whole country would be such that nothing could pry this government loose from its seats for many years.

Mr. ROBB: Nothing can anyway.

Mr. MANION: The minister said that last year, but we pried him loose for a few months at least, and then somehow they sneaked in again. But I would be willing for the good of my country to see the government come forward with a proposition to coöperate with the provinces of Ontario and Quebec, and other provinces in which there are iron ore deposits, and if the results were attained which I believe could reasonably be anticipated, this government might easily stay in power for a long time, and deservedly so. I think the minister might well give that suggestion much more consideration than he has in the past on behalf of the country as a whole, because there is no doubt that the iron and steel industry is the basic element in the commercial progress of any country. The progress of every country which has made important commercial advancement has been based on a foundation of the development of iron and steel. I could give a list of the countries, but I have done it in the past and I shall not do it to-night. Of course coking coal enters into the development of iron and steel, and we have I think the second greatest deposits of coal in the world. We have the iron ores, and we have large quantities of the limestone which is necessary to this development. I hope, therefore, that the minister will seriously consider the remarks I have made in reference to this matter and will take some action in order to keep this moribund government in power for a few years.

Mr. McGIBBON: I wish to commend the government for this vote, but I also wish to condemn it for its action in another regard—

An hon. MEMBER: Hear, hear.

Mr. McGIBBON: Someone says "hear, hear". I quite agree with the minister that there is no department of the government that offers such possibilities for scientific research as this one. But I want to bring home to them the fact that the action they have taken is hopelessly inadequate to the requirements of the country. We have an advisory council on scientific and industrial research, but it has been practically starved for years. When the Department of Health came into existence some years ago a special condition stipulated was that there was to be a department of scientific research, but such a department has not yet been formed. We are leaving this matter, which is after all one of federal concern, to universities and to private individuals and companies, and any result we have got has been practically the result of private research. In the realm of medicine the discovery of insulin was made by Doctor Banting, who, we are told, spent practically his last dollar before he succeeded. He got no help from any government and is not getting it to-day. We are turning these matters over to universities, which I think is a mistake. Of course the universities should take them up but after all the object of universities is to train men in fundamental science, which is a different thing. This department should be fostered and maintained by the government not only in this branch, but in every branch. As we look over the countries of the world and see what they have done, and as we look over the possibilities of scientific research in Canada, I say we have starved the department. I hope the government, the Finance minister and the Minister of the Interior will loosen up their exchequer a little bit and give this department the money it ought to have. With the great natural resources we have in this country, the possibilities of multiplying our national wealth not only ten or twenty but a hundredfold are immense. I repeat that I hope the government will give these departments a little better financial support in the future than they have in the past. I make these comments because I desire to say a word on behalf of two great departments, that of scientific and industrial research and that of health, which have been in existence for some years but which have been poverty-stricken to such a degree that their efforts have been almost futile. I heartily support the minister in this vote, but I say the government are not living up to their duties as a government in this matter, and I can only hope that in future they will do better.

Mr. FRASER: I understand the department has been carrying on exploratory work in the iron ores of British Columbia. I should like to know if it is still being carried on or if it has been completed. If it has been completed, what, in a general way, is the result of the work that has been done?

Mr. STEWART (Edmonton): I am told that the report has just been completed and published, and my hon. friend can get a copy of it.

Mr. TOLMIE: Does that include the iron ore on Vancouver island? We have large deposits there; we have iron, limestone and coking coal within reach of one another on tidal waters. Does it include any of these?

Mr. STEWART (Edmonton): I am told it includes a portion of the island, I do not know how much.

Mr. BANCROFT: Has the minister's department any recent report of the quantity and quality of the ore at Belcher islands?

Mr. STEWART (Edmonton): I am told that Doctor Young spent one season there and has one report on that island.

Mr. MANION: Not only Doctor Young, but a Mr. Flaherty or O'Flaherty who was sent up there some years ago by Mackenzie and Mann, investigated thoroughly the iron ore deposits on Belcher islands. An English company has recently taken a shipload of ore from the Belcher islands and sent it across to England for smelting purposes, and if this project is successful they are thinking of shipping the ore across the ocean for smelting and development.

Mr. McKENZIE: Is there any provision in this estimate for assisting in the experimental work and the testing that is going on in the research laboratories in connection with the power development at Bienfait and Estevan?

Mr. STEWART (Edmonton): There is provision made.

Mr. McKENZIE: I would draw attention to the fact that a few years ago, as mentioned by the minister, some money was spent in connection with a briquetting process there which was not as successful as we had hoped it would be, although it was not without some measure of success. There is now, I believe, a process for briquetting being worked on which is more or less a success, and I think as time goes on it will prove more successful than it has in the past. I am pleased to find that there is some provision made for assisting in the development of the work, because there are vast quantities of coal in that area—some hundreds of millions of tons available—and it is of a quality which does not stand shipping for very long distances. I believe the power development that is going on in the laboratories may point the way to the production of great wealth. The federal government, as I understand it, accepts some of the responsibility in the matter, arising out of the fact, no doubt, that they own the natural resources of those provinces. It is well, therefore, that they accept the responsibility of assisting in this development work. I think the time will come when there will be vast wealth found to be available from the coal resources in that area.

Mr. McQUARRIE: Has the minister made any provision in these estimates for sending out prospectors? I quite appreciate the valuable work which is being done by the scientific departments of the government and I have great respect for their head; but as I see it the most valuable work must be that done by the prospector. We know that most of the great discoveries of minerals made within recent years were more or less accidental. When not only this government but the provincial governments boast of the important work that they are doing in developing our mineral wealth, I think they are overlooking the most essential feature—the finding of valuable deposits by prospectors. I hope the minister has made provision for doing this work on a more or less wholesale scale, because it would be money well spent, and the money should be spent if we are to develop our mineral wealth.

Mr. STEWART (Edmonton): We have eight parties of trained geologists in British Columbia, four in Alberta, two in Saskatchewan, three in Manitoba, nine in Quebec, seven in Ontario, two in New Brunswick, three in Nova Scotia, and one in the Arctic. My hon. friend is quite correct, many of the more important mineral finds have been made by the ordinary everyday prospector with his pack on his back. But these parties now go out after the topographical work has been performed. They make a thorough investigation as to the mineral possibilities of certain areas. I am informed that this work is very valuable to the mining industry.

Mr. McQUARRIE: Investigating deposits which have already been discovered, or searching for new deposits?

Mr. STEWART (Edmonton): In some cases investigations are asked by parties who have made discoveries of minerals.

Mr. BENNETT: They report on the geological formation primarily.

Mr. McQUARRIE: I do not mean that at all. I mean searching for individual veins.

Mr. STEWART (Edmonton): Staking claims?

Mr. McQUARRIE: No, I would not expect that to be done. I am urging the department to employ practical prospectors to go over country which is more or less unexplored for the purpose of hunting for mineral deposits.

Mr. STEWART (Edmonton): We are not doing that.

Mr. McQUARRIE: That is done in other countries and important results have been obtained. I think the minister will find this matter worthy of consideration.

Mr. STEWART (Edmonton): I am afraid my hon. friend from West Calgary (Mr. Bennett) has left the impression on the committee that there is no coöperation between the Mines branch and the Council for Scientific and Industrial research.

Mr. BENNETT: Not to the extent that I should like.

Mr. STEWART (Edmonton): Mr. Camsell, the deputy minister, is a member of the Research Council.

Mr. BENNETT: I know that.

Mr. STEWART (Edmonton): I shall be glad to put into the hands of my hon. friend from Muskoka (Mr. McGibbon) the many questions that this board have considered in carrying on research work. I admit that to a limited degree this work has been carried on in the universities. I do not pretend to be an educationalist, but I am rather pleased that the universities are becoming a little more practical in their system.

Mr. BENNETT: So am I.

Mr. STEWART (Edmonton): My hon. friend says that this ought all to be done at Ottawa. In the United States, after careful thought, instead of establishing a central bureau of mines the government have scattered thirteen stations throughout the country, all doing extensive work. I hate to talk about medical affairs because I admit that I am not competent to do so. I do think that to a limited, perhaps even to an extended, degree medical research may be very helpful, but I am very anxious that there shall not be any overlapping, because in the long run it means an added burden upon the shoulders of our tax payers. I agree entirely with my hon. friend from Muskoka that we are not spending enough money on scientific research. It is the fault of the government and the parliament of Canada that proper laboratories have not been erected to give the council an opportunity to function effectively. I am confident that one of the most important things we can do is to establish in Ottawa a central organization to coördinate scientific work all over the Dominion. I should like to see a real start made at once, because I believe we have the men available for the work.

Mr. GUTHRIE: Why blame parliament? Parliament has never refused any money that I am aware of for scientific research. Why not blame the government?

Mr. STEWART (Edmonton): On every occasion since I have been a member of the government I have stressed the importance of scientific research, and I am bound to say that with the exception of an odd member here and there not very much interest has been evinced in the subject. Apparently we must first bring home to the people a realization of the value of scientific research in industry, both manufacturing and agricultural, before we shall be able to get the money required for this work. We need two or three million dollars to make a beginning, and the expenditure will run into a very considerable amount to meet the requirements of scientific research even to a limited degree.

Mr. McGIBBON: I submit that in the first place the services have been starved, and in the second place that there has been no directing force. I think we should have in Ottawa a central force which would form the nucleus of a scientific industrial research council. It might be all right for the universities to look after this work, but I do not think that is their function. The universities should train men in scientific research so that they may be available to the government. I agree with the minister that we cannot look for results immediately, probably we would not get any for years, but in the process of solving various problems unexpected discoveries might be made. In fact that is how all the great discoveries of science have been made: scientists have been looking for one thing and have discovered another. These discoveries have been of immense value to the country, but there should be a central directing force in Ottawa to whom all departments might look for guidance. I do not say that this body should necessarily do the work, but certainly there should be some central authority to assign various subjects to the different departments, or the universities, if you will.

Mr. JELLIFF: The hon. member for West Calgary asked an important question and one which is of considerable interest to the people of Alberta. I wish the minister would answer that question. At present there is a lamentable waste of gas in the oil fields. If the gas which is allowed to escape were converted into power it would be sufficient to supply all the needs of the city of Calgary. This is a practical matter which, it seems to me, calls for action by the department. It is imperative that something should be done to stop this waste, because the people of Alberta are suffering a great loss in consequence.

Mr. STEWART (Edmonton): We control, of course, only the wells on crown property; those that are private lands are not under our jurisdiction. It is true we have the power under the terms of our leases to close down any well if need be, but as my hon. friend knows, I think, there is very little waste of gas now so far as the large producers in the province are concerned, whereas two years ago a considerable quantity of gas was dissipated. A very large proportion of that gas is now piped into Calgary and utilized there. I agree that if piping were put down a still larger quantity of gas, at present escaping from wells on privately owned properties, could be converted into power for use in Calgary. But, as I say, we have no control over wells other than those situated on crown lands.

Mr. MacLEAN (Prince): I wish to place myself on record in support of the minister's request for a larger vote. I had the pleasure a few days ago of listening to Doctor Hibbert of McGill university who delivered an eloquent lecture bearing on this subject. Doctor Hibbert occupies the Eddy chair in the university in question, and speaking in the Chateau Laurier he gave a most instructive address on Borderland Sciences, in which he showed the correlation of one science to another. It was one of the finest addresses to which one could possibly listen, and it revealed the extensive work which may be done in the line of scientific research. He told us what the universities were doing, and pointed out vividly what the Dominion and provincial governments should do in this direction. Not only in relation to the subject of medicine, to which he referred, did he reveal some of the most startling facts, but as regards the treatment of products in everyday use he gave some arresting information. There is a great field for development not only in minerals but in every other line. I had a conversation the other day with Doctor Gussow of the Dominion experimental farm here in connection with the growing of potatoes, which is a matter of considerable importance to my own province. Doctor Gussow is an ardent advocate of scientific research and development generally, He thinks that the Department of Agriculture should bring in from Europe some of the best trained men to demonstrate the uses to which some of our surplus products may be put. For instance, in Europe at the present time many valuable commercial products are made from potatoes, but so far in this country we have not developed their use for these purposes. Valuable results might be obtained in this way and I desire, as one member at least, to support the minister's request for a larger vote to promote scientific research along various lines.

Mr. LANG: I would not have said anything on the subject but for the suggestion made by an hon. member that the Department of Mines should send out prospectors. In my opinion, speaking from experience, the very best work that could be done for prospectors generally is being done by the geological parties which are sent out by the federal and provincial governments. The geological surveys which they make are eagerly looked forward to by all prospectors year by year. The prospectors know where these survey parties operate and they try to get the newest geological maps available for the various areas. Every prospector to-day realizes the great value to them of these geological surveys, and you cannot meet one on the trail who is not equipped with the latest map of the particular country he is prospecting. The map discloses the geological characteristics of the country, with marks indicating what veins have been found, together with information relating to the assays that have been made. Practically all of the geologists sent out by the Department of Mines to-day are excellent prospectors as well as scientific men, and the work they are doing is certainly wonderful. Their surveys have made the work of the prospector so much easier that all mining men sending out prospecting parties to-day first study the geological surveys that have been made. Indeed, the prospector is obliged to familiarize himself with the findings of these geologists, whose maps are invaluable.

Mr. MACDOUGALL: In view of the new uses to which bituminous coal is being put, is the department conducting a research into what is known as the low carbonization process for the coking of bituminous coal particularly of the lower grades? If so, what report is there on the subject?

Mr. STEWART (Edmonton): We are very much interested in low temperature carbonization and have been watching closely for developments in this regard. We have also been doing work ourselves. This work presents one of the widest fields for the treatment of coal. In my opinion, research work in low carbonization, and the treatment of iron ores, are two problems of paramount importance at the present time.

Mr. LUCAS: On that point I would ask the minister if he has investigated the process used in Great Britain, which I think is known as the Illingsworth process, for the low carbonization of coal?

Mr. STEWART (Edmonton): Yes, we are keeping very closely in touch with every development in England in this connection, as well as those in Germany and Belgium.

Mr. BIRD: I wish to make a few remarks, but not of a critical kind, because I realize that the department has been doing good work under somewhat restricted circumstances. I would refer particularly to northern Manitoba, where nature has been very lavish but at the same time very perverse in the intricate manner in which the elements have been mixed together. The question of copper mining in northern Manitoba is a standing challenge to the scientific minds of Canada, and I am curious to know just how far the department has been addressing itself to these problems which loom very large to us in that part of Canada. I think it will not be denied that there we have some of the finest copper deposits on this continent, but these are awaiting the discoveries of our scientists. I understand that with regard to the well-known Flin-Flon property, an American firm has been experimenting there for some two or three years; I think it somewhat of a humiliation to us as Canadians that the solution of these immensely important problems should be left to the enterprise of scientists outside our borders, but so it has been in this regard. I do not know just what progress they are making along these lines, but I wonder if the department knows; I wonder if there is any coöperation and if our Department of Mines has been keeping track of the work undertaken by this private enterprise. If that has not been the case, perhaps a little criticism might be expected. It seems to me that a process which is fraught with such tremendous importance to the northern part of Manitoba and to Canada as a whole should be followed carefully by this department. Personally I am not much concerned about geological exploration; I think perhaps that has gone almost as far as it can go with any practical benefit at present in any of these areas. I quite realize its importance, but I also realize that the scientific efforts of our geologists are complementary to the work of our prospectors and that emphasis should be laid upon the metallurgical problems involved in some of the finds already made and blocked out, which are understood to be of immense importance. I do not know what eventual success this American firm will have, but I would like to know just what is the attitude of the Department of Mines towards this important process, which if successful will be of such immense economic importance to western Canada. I am not introducing this matter in a critical mood at all, because I know that the parsimonious attitude of this parliament towards these things has cramped the efforts of that department, and that under the circumstances the department has done good work. I would like to know, however, just what has been done, and I would ask the minister to address his mind to that aspect of the question for a few moments.

Mr. STEWART (Edmonton): I am very glad to be able to inform my hon. friend that this particular difficulty, the separation of these ores, has been under review and test in about a dozen different laboratories, but the process to be tried out by the company now, and the one which they feel has the greatest chance of success, is the discovery of our own officers made in our own laboratories here. Of course we cannot say that it will be successful, because it has only been tested, but it will be tried out this year.

Mr. FRASER: The minister has given a good deal of interesting information to-night but I would like to know how he explains the fact that in 1925, according to the public accounts, we spent $237,000 under this vote; last year only $200,000 was provided, and now we are only asked for $192,000. What is the reason for the decrease in this very important item? Will it continue to decrease as the production of minerals in this country increases? Three years ago the mineral products of Canada amounted to $214,000,000; last year they amounted to $228,000,000 and the figure for this year is $242,000,000, so it will be seen that though the production is increasing, the amount of money set aside for this very important work is decreasing. Having brought these facts to the attention of the minister, is it too much to expect that he will provide some supplementary amount to increase the vote asked for at present?

Mr. STEWART (Edmonton): I might explain that by the fact that we were using a

considerable portion of this money in the research work carried on by the Fuel board. Some of these problems are out of the way now, and we do not require as much money. Of course there are other problems which we could take up, but we are trying to be as economical as possible without starving any of the very important projects. We did have an increased vote for the purpose of research by the Fuel board into the coking problem, and it will be necessary to have an increased amount in the supplementary estimates for the continuation of the investigation into the peat fuel problem. But that is the reason the amount is less in the estimates now before us.

Mr. FRASER: The second to the last item in this vote is to cover transportation charges from outlying provinces on ore shipments to the ore dressing plant at Ottawa. Last year that vote amounted to $3,000, but this year it is reduced to $1,000.

Mr. STEWART (Edmonton): I can answer my hon. friend in a word. That item was included originally to encourage prospectors to send their samples from British Columbia; they have never done so to any extent, and we have never used the money, so I cut the appropriation down. We would be very glad if they would send in their samples; these samples come from other parts of Canada, but we felt that we wanted to put the prospectors in British Columbia in the same position as those in Quebec and Ontario, who were close to our laboratory, and in order to do so we offered to pay the transportation cost on their samples for the purpose of inspection.

Mr. FRASER: In the plant which the department has in the city of Vancouver, is any assay work carried on for the prospector?

Mr. STEWART (Edmonton): No. That assay office is purely for the purchase of gold.

Mr. FRASER: I understand if a prospector in British Columbia wants to send his samples to Ottawa, the freight on those samples is paid?

Mr. STEWART (Edmonton): That is what the item of $1,000 is for.

Mr. COOTE: I would like to refer to the question raised by the hon. member for Lethbridge, (Mr. Jelliff) in regard to the wastage of natural gas that is at present taking place in Alberta and to direct the attention of the minister to that problem. Let me quote just a few paragraphs from the High River Times in regard to this matter. It says:

That there is a big wastage of natural gas in Alberta made necessary by the exploration for oil is one of the statements in the annual report of the Scientific and Industrial Research Council of Alberta just handed in to the legislature. This section of the report, written by Dr. John A. Allan, professor of geology at the university of Alberta, says that figures indicate that in 88 wells of Alberta there is an available daily supply of natural gas amounting to 480,000,000 cubic feet. The most complete figures available for natural gas sold in Alberta in 1925 was 9,115,500,000 cubic feet representing an average daily consumption of 25,000,000 cubic feet.

Then the report goes on to deal with the wastage of this gas and it says:

The greatest wastage to-day is undoubtedly taking place in Turner valley where the average daily consumption amounts to about 7,000,000 cubic feet whereas the daily production amounts to approximately 45,000,000 cubic feet. Most of the wastage in Turner valley is necessary if exploration for petroleum continues. It seems inevitable that if oil development is going to be permitted in Turner valley, we must expect a considerable wastage of gas for some time to come.

Then Dr. Allan goes on to say, according to this report:

Dr. Allan, however, emphasizes the point that adequate regulations must be enforced to prevent unnecessary wastage of gas in drilling wells and cites a bad example. "Due to lack of supervision", he says, "wells were drilled in the Peace river district and from at least two of these water and gas have been flowing for many years. They are now 'running wild' and the chances are that this uncontrolled water has probably ruined the possibility of getting oil from at least the higher horizons in that district."

Attention is also drawn to the very important fact that the Dominion government regulations apply only to Dominion lands, and these regulations do not apply to free-hold lands which include those lands held privately by the Canadian Pacific Railway Company and by the Hudson's Bay Company.

Any regulation that is made to cover the development of petroleum or natural gas in Alberta should apply to all lands, irrespective of ownership.

The reason I am bringing this matter to the attention of the minister and the committee is to ask whether any research work is being carried on by the department looking to the prevention of this wastage, and whether the government are carrying on any investigation as to the possibility of capping new wells which may be brought in. Probably forty new wells are at present being drilled in that area. If even one-half of these should be brought in during the coming year, there is going to be a heavy flow of gas from them. I have been much interested in the remarks made by many hon. members to-night regarding the development of the mineral resources of Canada. It is quite right that we should develop these resources. The

fact, however, is that this natural gas which is being wasted can never be replaced. The minerals as long as they lie in the ground are not at any rate being wasted, but this natural gas is in many cases being burned to get rid of it and we are wasting a very valuable natural asset. It is important that the department should carry out any investigational work which may appear possible to them looking toward the control of the flow of natural gas from those wells and also towards the utilization of the gas which is now flowing from them, because I understand it has been found impossible to cap some of them. Possibly, if it is not already being done, the department might investigate the cost of producing electric energy from this gas which is now going to waste. It seems to me that it would not cost any more to install internal combustion engines near this gas field and to produce power in that way than to install turbines in hydro-electric power plants. I would be glad if the minister would inform the committee, particularly for the benefit of the people of Alberta, whether any investigational work along this line is being carried on, and also whether they have in mind any way of preventing the wastage of gas especially from new wells which may be brought in.

Mr. STEWART (Edmonton): About a year ago, we employed an English engineer, probably one of the most outstanding men in his profession, for the very purpose of preventing what has happened on one or two occasions, if not more—and I know of at least three—where wells, when they struck the heavy flow, blew everything to pieces, twisting their casings and running wild for weeks at a time, the flow of gas from them being wasted. If my hon. friend will remember, about eighteen months ago I came in for some severe criticism when we were insisting on cementing the pipe in rock when wells were being drilled in heavy gas strata. The result was that when gas was struck we could cap the well, if need be, and preserve that gas, shut it off completely. That has not been the case where we do not control the property. My hon. friend has mentioned the fact that many of those lands are privately owned and the federal government has no jurisdiction in that case. The control of property and civil rights is primarily a provincial matter. But where the lands are owned by the federal government and leased by them, we have absolute control and we are seeing that proper precautions are taken to prevent that heavy flow of gas from throwing the casing out of the well and causing a great deal of trouble. In the north I do not know how that gas can be shut off, because there is no rock strata and this wastage has been going on there for a number of years. Wherever there is a rock strata we have shut off the flow at considerable expense to the federal government. In addition we have Mr. Elworthy working continuously on the development of processes for the utilization of the gas, and any of the small municipalities such as High River might very well utilize that gas for the purpose of securing power for the generation of electricity. There is no necessity of research for that; all they have to do is to pipe the gas to a given point and generate electricity from that gas.

As regards federal property we are very much exercised about this matter and we are giving it a great deal of consideration and careful thought. For that reason we have employed this gentleman, who has had a wide experience in drilling for oils and in the proper care of the drilling process to preserve this great natural product if it is found.

Mr. COOTE: Is it possible to procure naphtha from those wells without allowing the gas to escape?

Mr. STEWART (Edmonton): We have not any process yet other than that which is being used.

Mr. COOTE: Just another question in regard to those lands in which the mineral rights are no longer held by the Dominion government. I always understood the province had no control whatever of these mineral rights, that any control that might exist over the minerals underlying the Hudson bay and Canadian Pacific railway lands remained in the Dominion government, and that that was one of the reasons why the Alberta Mineral Tax Act was disallowed a few years ago.

Mr. STEWART (Edmonton): Oh no, as applied to federal lands only.

Mr. HEAPS: All the oil and gas wells are not necessarily to be found in Alberta. We had an oil well discovered recently at Grand View, in Manitoba. Can the minister make any statement to the House as to the result of any investigations his department may have held there?

Mr. STEWART (Edmonton): I would like to be very chary in any statement I make with regard to that, because there seems to be a wide difference of opinion as to whether oil is there or not. Our own officer who visited the well suggested that it first be cleaned out in order that a proper examination might be made. I do not know if that has been done up to date.

Mr. COOTE: Is this department doing anything to investigate the possibility of controlling the big flow of gas while at the same time allowing these wells in the Turner valley to produce?

Mr. STEWART (Edmonton): We are working on that problem all the time, but so far we have not discovered anything better than the process now in use for the separation of the wet gas.

Mr. ADSHEAD: My hon. friend was speaking of the development of power from gas. I might say that proposals were made to the city of Calgary by certain interests in the Turner valley. One was to pipe the gas to Calgary, and another to develop electricity at Turner valley, but so far I understand no arrangement has been entered into, nor have the rates been able to compete with the hydro-electric system.

Mr. COOTE: Is any investigational work being carried on in connection with the production of carbon or any other substance from this gas in the Turner valley?

Mr. STEWART (Edmonton): Carbon could be manufactured if it were profitable, but it is not profitable at present prices. My hon. friend from West Calgary was suggesting that some protection should be given, but as I pointed out a moment ago, the reason for the low prices was the very large volume of natural gas discovered in the southern oil fields that have come into production in very recent years.

Item agreed to.

Mr. ROBB: If the committee is agreeable, there are some small supplementary estimates for the fiscal year ending March 31, 1927, that I should like to have cleaned up so that the accounts can be paid before the end of the present fiscal year. Hon. gentlemen will find these estimates on their files. They total $575,204.22. The larger items are $232,000 odd for the Customs inquiry, also certain items in connection with the national parks, and an item for the payment to members of the House of Commons and the Senate for additional travelling expenses on account of the Christmas adjournment. There are some smaller items that I do not need to enumerate.

General

To provide, notwithstanding anything contained in the Senate and House of Commons Act, for the payment to each member of the Senate and of the House of Commons who attended the first part of the present session of an amount representing the actual moving or transportation expenses and reasonable living expenses of such member while on the journey between Ottawa and his place of residence after the adjournment of parliament on December 15, 1926, and on the return journey from his place of residence to Ottawa at the end of the recess which commenced on the said date, or in case any such member did not return to his place of residence during the said recess an amount equivalent to what would have been his travelling expenses if he had returned to his place of residence during the said recess—The Senate, $3,075; House of Commons, $15,000; total, $18,075.

Mr. BENNETT: Would the minister explain this? Are the exact expenses being paid?

Mr. ROBB: I understood that the clerk was paying only the exact expenses and that vouchers would be required, but my idea is that there should be paid just a duplicate of what the members disburse when they come to attend the regular session. That is the idea.

Item agreed to.

Mail subsidies and steamship subventions.—Mulgrave and Canso, steam service between—additional amount required, $4,625.

Mr. MACDONALD (Richmond): Would the minister explain what this item is for?

Mr. ROBB: This is for a daily service, Sundays excepted, between Mulgrave and Canso. For some years Hugh Cann and Son have received a subsidy of $13,500 per annum for this service, but representations were made to the effect that in order to develop the fish business at Canso it was necessary to get a larger boat for the winter months and also to decrease the rate on fish of all kinds from Canso to Mulgrave from the old rate of 20 cents per hundred pounds to 6 cents per hundred pounds. Arrangements were consequently made with the Lovat Steamship Company to place the steamship Lovat on this service from January 1, 1927, for a three months' period, at a subsidy of $6,000 per month.

Mr. MACDONALD (Richmond): Who comprise the Lovat Steamship Company?

Mr. ROBB: I cannot tell you.

Mr. MACDONALD (Richmond): For the benefit of this House, I may say that the Lovat Steamship Company have also another large subsidy of some $50,000 per year for the service on the Magdalen route, from Pictou to the Magdalen islands.

Mr. ROBB: It is not the same service.

Mr. MACDONALD (Richmond): But they are paid for the yearly service $50,000, which is a very substantial sum. The boat was taken off that service and placed on the Canso

route, and she receives for that her portion of $13,000, with an additional $6,000 a month. Considering the amount of money for our services throughout the country, that is an exorbitant sum.

Mr. BENNETT: Double payment.

Mr. MACDONALD (Richmond): Yes, not only that but over-payment. I understand that the people who are concerned in the Lovat Steamship Company are people who have been very close to this government in the county of Pictou. So far as my information goes—I may be wrong, but I think the minister should have the information at his finger tips—the relatives of a former minister of the crown from the county of Pictou are shareholders in this company and were shareholders when this government began paying $50,000 for this service to the Magdalen islands, I would ask that this additional sum be struck from this vote.

Mr. ROBB: I am quite in accord with my hon. friend when he brings up generally the question of reducing subsidies down along the coast, but when he brings it up as a reason that they happen to be relatives of some particular gentleman, that is not a good reason. Hon. members will observe that this service has nothing whatever to do with the Magdalen island service. I admit that was a high price, but we had some difficulty in getting a boat placed there for that particular service. We asked for tenders for it. When I was in the Department of Trade and Commerce representations were made to us that those islands were far out; they had no railways and no transportation. We had to give a suitable service for the fishermen and the people living on the island, and they were producing great quantities of fish that were going to the western parts of the Dominion. In connection with this particular service for the winter months, the smaller boats that were there would not undertake to do the work. We had to get a better boat. That boat was available. It was not given as a subsidy to these particular people, but it was so that we might provide a service for the fishermen coming into Canso, and the conditions were that the rate should be reduced from 20 cents a hundred pounds to 6 cents a hundred pounds. That rate is very small and I think my hon. friend will have to give a much better reason before he asks us to reduce the service. However, if he wants to go into the whole service along the coast in Nova Scotia and cut it all down, I will be with him.

Mr. MACDONALD (Richmond): As one of the maritime men, coming from Nova Scotia, I say that there are a good many services in Nova Scotia that should be very thoroughly gone into, and I think it should have been the duty of this government for the past five years to go thoroughly into some of them. It should not be for the hon. member for Richmond or the hon. member for Guysborough, or the hon. member for Antigonish, or the hon. member for any other constituency to take it up; it should be for the hon. minister in whose department these transactions occurred. I say that the very first subsidy that should be gone into and examined is the contract with the Lovat Steamship company for the service to the Magdalen islands. I would advocate, as was done in the case of subsidy in the county of Richmond during the last few weeks, that tenders should be called for and that the contract should be given to the lowest tenderer, first for the Magdalen island service, and secondly, before we vote the additional money for the Guysborough route, that tenders should be called for the Mulgrave and Canso route.

Mr. ROBB: This is a contract; we are now near to the end of March, and the contractors have been providing the service during the winter and have given the reduction from twenty cents to six cents. They have carried out their part.

Mr. GUTHRIE: How long is the contract to run?

Mr. ROBB: It runs out in three months. It was for a three months' period at a subsidy of $6,000 per month. I am not sure when it was made. It might have been made by my hon. friends, but I do not think so. Service was for the winter months, January, February and March—

Mr. McGIBBON: Have you any figures as to the value of the fish exported?

Mr. ROBB: No.

Mr. MACDONALD (Richmond): Might I ask the hon. minister when tenders were called for, and if tenders were called how many were received?

Mr. ROBB: Not for this particular service. This vessel was the one available.

Mr. MACDONALD (Richmond): Tenders were never called for.

Mr. ROBB: I have a record here of the subsidy paid, the traffic returns since 1908, and the trips made. In 1908 they were making 286 round trips, and in 1926, 300 round trips

Mr. BENNETT: A year?

Mr. ROBB: I think for the season. That is not this particular service; that is the general service on the other contract. The other contractors continued up to the end of December and stopped, and we did not have any transportation at all for the winter months.

Mr. McGIBBON: What size boats?

Mr .ROBB: The other steamer employed on the route was the Robert Cann, a vessel of 111 net and 265 gross tons, with capacity for about 200 tons of freight and 100 passengers and with a speed of 11 knots.

Mr. BENNETT: The department had been paying $200 a day for the last three months?

Mr. ROBB: We would not have had any service at all without her.

Mr. GUTHRIE: Is this the first year this winter service has been provided?

Mr. ROBB: Yes.

Mr. MACDONALD (Richmond): Is the steamer Robert Cann receiving $13,000 per year for an all year service?

Mr. ROBB: I do not think it is an all year service. I think we have been paying for the season of navigation, from the opening, about the 1st of April to the end of December.

Mr. MACDONALD (Richmond): I might say for the benefit of the House that previous to last year this very steamer the Robert Cann, had been receiving $13,000 for an all-year service, and that she had performed the all-year service previous to 1926, but now on account of her age and certain other reasons it was thought she would probably not be a good winter boat, and the Lovat was substituted in her stead. I think if the Robert Cann was not able to give an all the year round service tenders should have been called for before the Lovat was put on at an additional $6,000 a month. It would have been good business. We are paying the Robert Cann for performing an all the year round service although for four or five months she is not doing anything, while we are paying the Lovat $50,000 besides provincial subsidies for an all the year round service, and then we turn around and give her an additional $6,000 a month, practically $200 a day, for the winter service. The department kicked at paying $13,000 subsidy for a similar service at the other end not later than the 30th of March last. I claim that this is unfair discrimination and a squandering of public money.

[Mr. Bennett.]

Mr. ROBB: My hon. friend is in error in saying that we pay the Robert Cann $13,500 odd for this service for the year round, although the boat is not giving us that service. The record shows that the Robert Cann from April 1 to December 1 received a subsidy of the old rate amounting to $10,125. So there was $3,375 available towards the subsidy for the winter service. The fishermen complained that that boat was not able to give a satisfactory winter service. Let me repeat, we secured a reduced rate for the transportation of the fish.

Mr. GUTHRIE: Were tenders advertised for when this agreement was made?

Mr. ROBB: No, but there is much in what my hon. friend says for the all-year round service. This was a service provided for the fishermen to enable them to send their catch to market during January, February and March of this year. The moment the Robert Cann stopped running her subsidy ceased.

Mr. GUTHRIE: What negotiations took place when the new arrangement was made? Were tenders asked for, or was there any correspondence, or on whose advice was the arrangement made?

Mr. ROBB: I am advised that the department investigated through our officer down there, Mr. Tupper, and this particular boat was recommended as the only boat available.

Mr. McGIBBON: Has the minister any information of the quantity of fish carried?

Mr. ROBB: The returns are not in.

Mr. SHORT: This is the $10,500 item?

Mr. ROBB: No, the vote is for $4,625, the additional amount required. The hon. gentleman will recall that we had available out of the original subsidy voted some $3,000 odd, which added to this will be sufficient to pay for the winter service.

Mr. SHORT: I think this item should go through. I know something about the service down there. My friends look at me, but perhaps they are not as familiar with the local conditions as I am. Canso is one of the most important fishing points in Nova Scotia. They have had an inadequate steamship service for several years. During the winter of a year ago traffic was held up in that section for a week at a time on account of ice conditions and the boat not being suitable to meet those conditions. I understand this item is to provide for better steamship service. Many of the places along the coast

require better steamship service, this one particularly, and I think the money is well spent. I do not say that other services down there should not be attended to as well, but more fish is shipped out of Canso than out of any other port in Nova Scotia excepting Halifax. Consequently they are entitled to a good steamship service, and I support this item with pleasure.

Mr. MACDONALD (Richmond): The district of Canso is probably one of our largest fishing sections, but I may tell the hon. member for Digby that there are other important fishing sections, for instance, Petite de Grat. We are not receiving the same service on the other side of the coast, and I see very strong reasons why my friend from Digby advocates this vote. Of course, he was not a representative of the county of Guysborough-Antigonish in 1925-26 when our Pictou friends had their boat put on the Canso-Guysborough route. I am not interested personally either in the Maritime Fish Corporation or in any other corporation in Guysborough township. I am speaking for the interests of the fishermen and the public treasury. We want service at the lowest possible cost, with no discrimination in any shape or form, and we do not want favours to be handed out to the friends of this government.

Mr. ROSS (Moose Jaw): Mr. Chairman, I think that is an unwarranted attack on the hon. member for Digby. During the Christmas recess I had occasion to travel into Nova Scotia, and I saw what the fishermen and the fishing companies were doing in Canso. I reached the conclusion that what Nova Scotia lacks is adequate transportation facilities for fish. They appear to be in the same position as we were on the prairies some time ago when we did not have proper elevator facilities for our grain. To-day the fishermen along the coast have no means of transporting their catch as fresh fish, and therefore they have to dry and salt it, which yields them a net return equivalent to only a cent or a cent and a half a pound on the weight of their catch when sold fresh. If these fishermen could have their fish taken to Canso and other places to be marketed as fresh fish they would double their earnings, and I believe the government should spend money to that end. The service given by the Lovat I found to be first class. When I was there a good deal of fresh fish was being shipped from Canso by the Maritime Fish Corporation, and of course being perishable it had to be transported quickly or great loss would be incurred. I believe that by putting the Lovat on that route rates on the transportation of the fish from Canso have been reduced twenty to six cents per hundred pounds. I am in favour of this vote or of any other vote that will give added transportation facilities to the fishermen of Nova Scotia.

Item agreed to.

Mail Subsidies and Steamship Subventions—Mulgrave and Canso, steam service between—additional amount required, $3,000.

Mr. MACDONALD (Richmond): Have tenders been called for in the last few months for this service?

Mr. ROBB: I am sure my hon. friend will not object to this vote.

Mr. MACDONALD (Richmond): No, certainly not.

Mr. ROBB: The financial statement furnished by the contractors, the Arichat Steamship Company of Sydney, covering the last eight years, shows that the service has been unprofitable. The loss between 1917 and 1924 amounts to $31,000. The contractors say they are unable to continue the service without a substantial increase, and point out that in view of the fact that this is a daily service, except Sunday, throughout the year, they receive possibly less than any other subsidized service in the vicinity. They are willing to continue the service with an increase of $3,000. If my hon. friend desires to have tenders called for I have no objection.

Mr. MACDONALD (Richmond): I understand that a service has been going on for a number of years. This is in the county of Richmond and it is in a different position from the service at Canso. It serves an important fresh fish section, but there are no cold storage facilities such as there are at Canso. Fish must reach the cold storage plant within at least twenty-four hours of being caught, and these people are entitled to a very good service. They have approached the government in the past and this is the first vote I notice for an increased subsidy. I see that so soon as the additional appropriation was placed in the estimates tenders were called for by the department on March 7. Are all the tenders in and to whom has the contract been awarded?

Mr. ROBB: No contract has been awarded.

Mr. BENNETT: But have tenders been called for?

Mr. ROBB: Yes.

Mr. MACDONALD (Richmond): Has any new contract been awarded?

Mr. ROBB: No.

Mr. MACDONALD (Richmond): Will the same people have the contract?

Mr. ROBB: I do not know; the tenders have not yet been examined.

Mr. SHORT: Are there any further supplementaries to come down in connection with steamship services?

Mr. ROBB: I hope not.

Mr. SHORT: Then I want to point out that the government has omitted a service that should be provided for, namely, that between Bridgetown and Saint John. It has been in operation since 1910 and the subsidy was dropped last year. While the present minister was acting as Minister of Trade and Commerce I took the matter up with him, as he remembers very well. And when the estimates were going through the House in December last I was given to understand that a supplementary would come down later on. I have taken up the question again with the present Minister of Trade and Commerce who informed me that something would be done. If I am to understand now that no subsidy is to be given I must note a protest against the discontinuance of it. I see no reason why this particular service should not receive the same consideration as is given the other steamship lines running into the bay of Fundy. Here we have a subsidy which has been granted ever since 1910 and which is suddenly dropped, and no reason is offered. Some sort of explanation was offered last year to the effect that the company had been making a profit and were therefore not entitled to a subsidy, but this year the statement they have submitted to the department shows a loss. There are two other lines of steamers subsidized, one from Annapolis and the other from Bear river to Saint John. The Bridgetown Steamship Company runs twenty miles further up the river than either of the others, covering the same route, but its subsidy is cut off while the other two are continued. Can the minister not explain this?

Mr. ROBB: These items are for the current fiscal year ending March 31 instant. I am willing to give my hon. friend credit for having done his duty last year, so that if no subsidy was given then the fault is not his. I understand from my colleague the Postmaster General that the Minister of Trade and Commerce has the matter under consideration and is favourably disposed to it, and if he recommends it it is quite possible a vote will be brought down next year.

Mr. SHORT: That is the very reason I wanted to know whether there were any further supplementaries to come down in connection with steamship services.

Item agreed to.

Government of the Northwest Territories—salaries and expenses connected with the administration of the territories, etc. Further amount required, $15,000.

Mr. BENNETT: What is this?

Mr. ROBB: I have not the information. I am not sure that this is not to complete a certain amount required for fire purposes.

Mr. BENNETT: I do not think so. I had a letter in regard to this matter and I promised to find out what the item was for when it came up. However, when the bill is in committee the minister can give the information.

Item agreed to.

Government of the Yukon Territory—amount required to pay compensation to John McIver in connection with the purchase of placer mining claims situated on Poker creek, Yukon Territory, $3,000.

Mr. BENNETT: What is this?

Mr. ROBB: I have not the information but I will get it.

Item agreed to.

Adjustment of war claims—Department of the Secretary of State. Further amount required, $5,000.

Mr. BENNETT: An hon. member is anxious to have information regarding this vote, but if later on in committee an explanation can be given, that will be satisfactory.

Mr. GARDINER: Many of the items in this list of supplementaries were passed with no explanation given, and before the list was distributed to the committee. I wonder if the minister would go back to item 385 and give an explanation of how it came to be included?

Mr. ROBB: This item is to authorize and provide for Mr. Meighen's indemnity as leader of the opposition from January 1, 1922 to March 7, 1922, at $10,000 per annum. My hon. friend understands that the leader of the opposition is entitled to that salary. The Right Hon. W. L. Mackenzie King was paid as leader of the opposition to December 31,

1921, and Mr. Meighen was paid as leader of the opposition from March 8, 1922, the day the House opened, and the present item is to cover Mr. Meighen's indemnity as leader of the opposition in the interval.

Mr. GARDINER: Why is it necessary to place it in the supplementaries at this late hour, and who was responsible for placing it there?

Mr. ROBB: I think the reason was that we did not have the figures until that time. As a matter of fact, we really did not know until later, that Mr. Meighen had not been paid.

Mr. ROSS (Moose Jaw): Is not the real explanation the fact that until March 7 of that year we did not know who was going to be leader of the opposition, Mr. Crerar or Mr. Meighen, and as a matter of fact until that date there was no leader of the opposition?

Mr. ROBB: No, that was not the reason.

Mr. MACKENZIE KING: I think I can give my hon. friend the explanation. When Mr. Meighen's government resigned and the present administration assumed office in October last, Mr. Meighen continued as leader of the opposition until the time my hon. friend opposite (Mr. Guthrie) was chosen leader of the opposition. Unfortunately immediately after we came into office, Mr. Meighen was informed that no salary cheques could be paid to him as leader of the opposition, or to his secretaries and that he was not entitled further to the use of the frank. When I learned of this, I expressed considerable indignation and said I thought it was quite wrong. It seemed to me that the House would not desire the leader of the opposition to be treated with discourtesy of the kind. I was informed that there was no legal authority to pay Mr. Meighen as leader of the opposition, that the law required that to be recognized as the leader of the opposition he must be a member of parliament, and at the time Mr. Meighen had not a seat. I discussed the matter with Mr. Meighen personally and said I would take the responsibility of seeing that matters were properly adjusted. It was then that Mr. Meighen informed me that he had received no salary as leader of the opposition for the period here mentioned though he had acted as such during that time. I said if that were the case I thought it was equally a mistake; that if he was entitled to the salary he should receive it, and that I would ask the House to vote it, this I now desire to do.

Mr. GARDINER: I am glad we have received this explanation because we in this group were wondering why it was included in the supplementary estimates when the salary of the leader of the opposition is provided for in the House of Commons Act. I would like to go a little further than that and point out that there is another circumstance which the Prime Minister evidently has not taken into consideration. The government of which the Prime Minister is now head took office on December 29, 1921, if I am not mistaken, and after the general election prior to that Mr. Meighen did not have a seat in the House and had to wait until such time as a seat was opened to him in order to enter the House. Another circumstance which we must remember is the fact that the party led by Mr. Meighen was not the second largest party in the House and could not claim in any way to be the official opposition. The Conservative party had something like fifty-one members whereas the Progressive party had about sixty-three, and it was not determined until March 6 or 7 which of those two groups would form the opposition. Under no circumstances could Mr. Meighen and the Conservative party claim the opposition benches until such time as the Progressive group had made a decision as to whether or not they would form the opposition. I think it was on March 6 that the Progressive group decided not to become the official opposition, and that information was transmitted not only to the Prime Minister but to Mr. Meighen as well, as leader of the Conservative party. Under the circumstances Mr. Meighen never was the leader of the official oppposition at that particular time. I am not objecting to the amount of the vote, but I do think at this late hour of the day and in view of these circumstances it is pretty small to include that sum of money in the estimates.

Item agreed to.

Resolutions reported, read the first and second time and concurred in.

WAYS AND MEANS

SUPPLY BILL

Hon. J. A. ROBB (Minister of Finance) moved that the House go into committee of ways and means.

Motion agreed to and the House went into committee, Mr. Johnston in the chair.

Mr. ROBB moved:

Resolved that towards making good the supply granted to His Majesty on account of certain expenses of the public service for the fiscal year ending 31st March, 1927, the sum of $575,204.22 be granted out of the consolidated revenue fund of Canada.

Motion agreed to.

Resolution reported and concurred in. Mr. Robb thereupon moved for leave to introduce Bill No. 151, for granting to His Majesty a certain sum of money for the public service of the financial year ending March 31, 1927.

Motion agreed to and bill read the first and second time and the House went into committee thereon, Mr. Johnston in the chair

Section 1 agreed to.

On section 2—$575,204.22 granted for 1926-27

Mr. GUTHRIE: The arrangement was that we were to receive certain information when this bill reached the committee stage, and I assume that the Minister of Finance will move that the committee rise now.

Mr. ROBB: I move that the committee rise, report progress and ask leave to sit again.

Progress reported.

On motion of Mr. Mackenzie King the House adjourned at 11.25 p.m.

Wednesday, March 16, 1927

The House met at three o'clock.

ALLIED INDIAN TRIBES OF BRITISH COLUMBIA

ADDITIONAL MEMBER APPOINTED TO JOINT COMMITTEE

Mr. SPEAKER: I have the honour to inform the House that I have received the following message from the Senate:

Resolved that a message be sent to the House of Commons by one of the clerks at the table to acquaint that House that the name of the Hon. Mr. Murphy has been added to the list of the members of the special committee appointed to inquire into the claims of the Allied Indian Tribes of British Columbia.

REPORT

First report of the committee appointed to consider Bill No. 105, to amend the Food and Drugs Act, 1920.—Mr. Howden.

BELL TELEPHONE—GRAND TRUNK RAILWAY CONTRACT

Hon. CHARLES A. DUNNING (Minister of Railways and Canals): I promised to lay on the table some information for the hon. member for South Toronto (Mr. Geary) respecting the agreement between the Bell Telephone Company of Canada and the Grand Trunk Railway Company of Canada, of 1913, which I now do.

[Mr. Robb.]

BANKING AND COMMERCE COMMITTEE

Hon. J. A. ROBB (Minister of Finance) moved:

That the name of Mr. Laflamme be substituted for that of Mr. Rhéaume on the select standing committee on banking and commerce.

Motion agreed to.

MONTREAL, OTTAWA AND GEORGIAN BAY CANAL COMPANY

Mr. W. E. TUMMON (South Hastings): I have the honour of presenting to this House, Mr. Speaker, a copy of a resolution passed by the city council of the city of Belleville, also a copy of a resolution passed by the council of the town of Deseronto, praying that this House do not grant renewal of the charter of the Montreal, Ottawa and Georgian Bay Canal Company, known as Bill No. 78.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

CAPE TORMENTINE—BORDEN CAR FERRY

Mr. BEAUBIEN:

1. What year was the present car ferry established between Cape Tormentine, New Brunswick, and Borden, Prince Edward Island?
2. How many trips did this car ferry make annually from the year it was placed in service to December, 1926?
3. How many passengers were carried annually during the same period?
4. How many tons of freight were carried annually during the same period?
5. How many head of live stock were carried during the above mentioned period?
6. How many bags of mail were carried during the said period?
7. How many automobiles were carried during this period?
8. What have been the losses or profits of the operation of this car ferry, annually, since its being put into operation?

Hon. Mr. DUNNING:

1. 1917

2. 1917, 50; 1918, 1,011; 1919, 1,444; 1920, 1,638; 1921, 1,506; 1922, 1,642; 1923, 1,543; 1924, 1,584; 1925, 2,050; 1926, 2,486.

3. Records prior to 1924 no longer available: 1924, 52,271; 1925, 61,292; 1926, 63,603.

4, 5 and 6. As this is a car ferry handling trains across the Strait, without breaking bulk or transshipment, no record is kept of freight or mail passing through.

7. No records prior to 1923: 1923, 1,562; 1924, 2,395; 1925, 3,368; 1926, 4,299.

8. There is no profit and loss account connected with the operation of the car ferry. The revenues from passengers and freight are train revenues and so accounted. Cost of operation of the car ferry service is given in separate statement attached.

CANADIAN NATIONAL RAILWAYS ATLANTIC REGION

STATEMENT IN CONNECTION WITH THE OPERATION OF S.S. "P. E. ISLAND" CAR FERRY FROM BEGINNING OF SERVICE UNTIL 31ST DECEMBER, 1926

—	1917	1918	1919	1920	1921	1922	1923	1924	1925	1926	Total
	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.
1 Operation of the Boat.....	7,423 17	125,252 59	147,215 62	228,443 21	198,026 14	179,884 02	197,269 88	190,270 78	188,363 32	221,646 44	1,683,795 17
2 Operating Borden Terminals.....	3,331 36	37,875 75	31,196 97	42,445 77	30,156 30	29,283 52	28,039 79	16,945 70	9,652 70	8,156 73	237,084 59
3 Operating Borden Wharf.....	.....	22,295 83	29,746 70	26,574 72	36,203 45	32,939 50	31,372 27	24,236 28	27,118 01	30,937 29	261,424 05
4 Operating Tormentine Terminals...	139 04	4,926 26	4,943 82	6,106 89	7,356 78	6,501 95	6,184 82	6,834 57	7,772 12	7,790 51	58,556 76
5 Operating Tormentine Wharf.....	839 27	18,927 44	23,363 98	27,414 54	32,462 96	23,813 48	29,702 79	25,588 20	23,039 99	28,808 21	233,960 86
Total.....	11,732 84	209,277 87	236,467 09	330,985 13	304,205 63	272,422 47	292,569 55	263,875 53	255,946 14	297,339 18	2,474,821 43

VANCOUVER GRAIN SHIPMENTS

Hon. Mr. STEVENS:

1. How many cars of grain were unloaded in the port of Vancouver during the months of September, October, November, December, and January, in each of the years 1922-23-24-25-26, and January, 1927?

2. Has the attention of the government been called to certain evidence recently given before the railway commission that some 2,500 cars of grain were being held back from forwarding to the coast owing to congestion at that point and for lack of shipping?

3. Have any steps been taken by the government to secure shipping for the removal of grain freely offered for shipment via Vancouver? If so, what?

Hon. Mr. RINFRET:

1. Department of Railways and Canals—

Cars of Grain Handled by Canadian National Railways to Vancouver, B.C.

Month	1922	1923	1924	1925	1926	1927
Sept....	73	.....	53	140	40	.....
Oct.....	308	652	552	2,746	1,160	.....
Nov....	466	855	343	3,827	1,777	.....
Dec....	437	2,420	598	1,690	1,689	.....
Jan.....	590	822	2,244	839	3,646	1,683
	1,874	4,749	3,790	9,242	8,312	1,683

2. The Canadian National railway management reports that on account of the large volume of tough and damp grain moving to Vancouver and the limited drying facilities, it was necessary to inaugurate some system for the purpose of avoiding blockade of grain and the consequent possibility of advantage being taken of the situation by speculators in moving grain to Vancouver without at the same time making provisions for steamship accommodation. The arrangement was originally advocated by the Vancouver harbour commissioners, grain trade at Vancouver and terminal railways. Cars are not accepted for shipment to Vancouver except on permit from the railway company. This is considered to be the only satisfactory method for shippers and carriers alike. The control of the situation is not in the hands of the Canadian National railways, but rather in the capacity of the elevator to dry and handle shipments and also the number of available ships.

3. The Canadian Government Merchant Marine take the maximum quantity of grain offering for their steamers sailing from Vancouver.

Department of Trade and Commerce—

1. September, 1922, 143; October, 1,192; November, 1,373; December, 2,211; January, 1923, 2,260.

September, 1923, 151; October, 2,216; November, 2,203; December, 4,803; January, 1924, 5,179.

September, 1924, 293; October, 2,722; November, 3,413; December, 2,914; January 1925, 2,831.

September, 1925, 371; October, 5,427; November, 6,938; December, 4,334; January 1926, 6,888.

September, 1926, 168; October, 4,582; November, 3,651; December, 4,085; January, 1927, 3,464.

2 and 3. No information.

IMPORTATION OF MOTION PICTURE FILMS

Mr. FRASER:

1. How many motion picture films were imported into Canada during each of the years 1922 to 1926, inclusive, and from what countries?

2. What is the rate of duty on the said films?

3. Does the Department of Customs exercise any supervision or censorship over the said films so as to prevent the entry to Canada of motion pictures, (a) of an obscene character; (b) calculated to prejudice the public mind against Canadian and British sentiment; (c) of an aggressive pro-foreign type including propaganda antagonistic to Canadian interests; (d) falsely interpreting Canadian life?

4. How many motion picture films were produced in Canada during the same period and how often were they exhibited?

5. Has the government considered the advisability of having a careful detailed survey made of the motion picture films exhibited in Canada?

Hon. Mr. RINFRET:

NUMBER 1

STATEMENT OF IMPORTS BY COUNTRIES OF CINEMATOGRAPH OR MOVING PICTURE FILMS, POSITIVES, ONE AND ONE-EIGHTH INCHES IN WIDTH AND OVER, DURING EACH OF THE FISCAL YEARS ENDED MARCH 31st. 1922 TO 1926

Country	1922		1923		1924		1925		1926	
	Feet	Value	Feet	Value	Feet	Value	Feet	Value	Feet	Value
		$		$		$		$		$
United Kingdom	452,546	29,640	296,241	21,463	924,495	72,293	309,150	23,870	286,158	23,089
Bermuda	1,000	100	.....	.....	.....	.....	.....	.....	.....	.....
British India	.....	.....	.....	.....	6,000	609	.....	.....	.....	.....
China	.....	.....	.....	.....	.....	.....	.....	.....	8,938	715
France	118,287	8,384	53,513	4,210	16,948	1,317	69,445	5,557	14,764	1,061
Germany	.....	.....	1,850	118	21,311	1,718	1,635	131	153	12
Italy	.....	.....	630	32	1,000	80	.....	.....	.....	.....
Japan	.....	.....	.....	.....	.....	.....	3,000	240	.....	.....
United States	20,382,417	1,716,161	18,875,452	1,524,069	19,848,022	1,626,644	22,291,820	1,797,689	23,593,221	1,898,698
Alaska	.....	.....	.....	.....	.....	.....	.....	.....	800	40
Total	20,954,250	1,754,285	19,227,686	1,549,892	20,817,776	1,702,661	22,675,050	1,827,487	23,904,034	1,923,615

2. Rates of Duty

Preferential: 1922, 2 cents per linear foot; 1923, 2 cents per linear foot to May 23, 1922; 1½ cents per linear foot from May 24, 1922; 1924, 1½ cents per linear foot; 1925, 1½ cents per linear foot; 1926, 1½ cents per linear foot. Treaty: 1922, 3 cents per linear foot; 1923, 3 cents per linear foot; 1924, 3 cents per linear foot to September 4, 1923; 1½ cents per linear foot from September 5, 1923; 1925, 1½ cents per linear foot; 1926, 1½ cents per linear foot. General: 1922, 3 cents per linear foot; 1923, 3 cents per linear foot; 1924, 3 cents per linear foot; 1925, 3 cents per linear foot; 1926, 3 cents per linear foot.

Preferential rates apply to: United Kingdom, Bermuda, British India. Treaty rates apply to: France, Italy, Japan. General rates apply to: China, Germany, United States, Alaska.

3. Motion picture films of an immoral or indecent or treasonable or seditious character are prohibited importation by item 1201, schedule C of the Customs tariff. Censorship is controlled by the province.

4. There is not sufficient information available to enable an answer to be given to this question.

5. No.

VACCINE FOR TUBERCULAR CATTLE

Mr. CASSELMAN:

1. Is it the intention of the Department of Agriculture to make use of vaccination for the prevention of tuberculosis in cattle, in addition to, or as a substitute for the present system of slaughtering diseased cattle?

2. Is the government aware that this method has been used in Switzerland since 1917, in England since 1923, and has been introduced in the western states?

3. If so, what are the known results?

Hon. Mr. MOTHERWELL:

1. No.

2. The government is not aware that any system of vaccination for the prevention of tuberculosis has been in use in Switzerland since 1917, nor in England since 1923. The government is, however, aware that a secret alleged cure for tuberculosis has been advertised and talked about in Switzerland and England as well as elsewhere for some years. This is known as the Spahlinger treatment. This treatment has been greatly lauded by some people, and just as warmly condemned by others, and, since the treatment is a secret one, there does not seem to be any way of deciding on its merits or demerits. The government is not aware that the Spahlinger treatment has been officially recognized in the United States or any other country. It might, however, be added that the Calmette system of vaccination for the prevention of tuberculosis in cattle and in human beings has been given wide publicity and many scientists are at present studying the claims for this vaccine in many countries, including Canada and the United States.

3. See answer to No. 2.

Mr. CHURCH:

What are the names of the officials, if any, appointed to office, either temporarily or permanently, at the Toronto post office and custom house, or removed from office at the instance or request of, (a) Liberal candidates defeated at the last election, or Liberal members of parliament; (b) Conservative members; (c) Progressive members or defeated candidates; (d) Labour, defeated candidates; (e) defeated candidates of other parties?

Hon. Mr. RINFRET:

No such employees were taken on or dismissed during period specified in inquiry.

RADIO BROADCASTING REGULATIONS

Mr. SPENCER:

1. Are there any restrictions to anyone installing a radio broadcasting station in the cities of Calgary or Edmonton, or both?

2. What would be the cost of license in each case?

Hon. Mr. CARDIN:

1. Yes. All stations in these cities are subject to the regular restrictions set out in the Radiotelegraph Act and regulations issued thereunder, which apply to all stations in the Dominion of Canada.

2. $50 per annum.

CANADIAN NATIONAL RAILWAYS—BAGGAGE AGENTS' UNIFORMS

Mr. PRICE:

1. Are station baggage agents on the Atlantic region of the Canadian National railways refused uniforms while those serving on the central and western regions are provided with same?

2. If so, why?

Hon. Mr. DUNNING: The practices with respect to supplying uniforms to baggage agents and other employees were established before consolidation, and vary as between different regions and, to some extent, on the same region. The attention of the management has been directed to the complaint of baggage agents on the Atlantic region in this connection.

IMPORTED MILITARY STORES—DUTIES PAID

Mr. CHARTERS:

1. What was the amount of duty and sales tax, if any, paid by the Department of National Defence on imported arms, equipment,

clothing, etc., for the use of active militia during the following fiscal years: 1919-20, 1920-21, 1921-22, 1922-23, 1923-24, 1924-25, 1925-26 and 1926-27 to date?

2. What was the amount of duty and sales tax paid by units of the active militia for the same fiscal years?

Hon. Mr. RALSTON:

1. 1919-20, $45,251.94; 1920-21, $20,003.18; 1921-22, $29,734.76; 1922-23, $24,834.16; 1923-24, $9,758.36; 1924-25, $24,455.66; 1925-26, $16,596.62; 1926-27 (to February 28, 1927), $7,334.51.

2. No information.

COST OF WELLAND CANAL

Mr. SENN:

1. What has been the cost of construction of that part of the new or Welland ship canal lying between the city of Welland and Port Colborne, up to date?

2. What amount including the sum placed in the estimates for 1927-28 is necessary to complete this section of the canal?

3. What amount of money not included in the above estimates will be necessary to make the harbour and entrance at Port Colborne safe for the entry of boats such as the Welland ship canal is designed to accommodate?

Hon. Mr. DUNNING:

1. Approximately $12,735,000.

2. Approximately $13,766,000.

3. Harbour work at Port Colborne is included in estimates referred to in Answer No. 2.

HARROW EXPERIMENTAL FARM

Mr. GOTT:

1. What was the cost of operating the Harrow, Ontario, Experimental farm for the year 1926?

2. What returns did the farm make?

3. Who is the superintendent of the farm?

4. What salary is paid him?

Hon. Mr. MOTHERWELL:

1. $22,582.03.

2. $14,641.39.

3. Mr. Henry Alonzo Freeman.

4. $2,400 per annum.

REPAIRS TO ESSEX COUNTY PIERS

Mr. GOTT:

1. When repairs were made to the piers at Kingsville, Leamington, and Pelee island, Ontario, why was the lumber for same not purchased in Essex county despite the fact that there are reputable lumber dealers in the said county?

2. Does the patronage of the member from Antigonish-Guysborough extend as far west and south as Essex south?

3. In view of the fact that the estimates contain a $5,000 appropriation for repairs to piers in Essex county, will the department make an attempt to purchase material as close to the work as possible regardless of what political opinions are held by the lumber dealers of the county?

4. Have tenders for lumber for repairs in Essex county ever been asked for from Conklin or Ludlam lumber companies of Kingsville, and Leamington, Ontario, respectively, or from the Smith Lumber Company of Harrow, Ontario?

5. If so, were they on the same equality as other firms, and subject to the same consideration?

Hon. Mr. ELLIOTT:

1. Because the prices asked by lumber dealers in Essex county were considerably higher than those quoted by lumber dealers elsewhere, and in other cases no prices at all were submitted by dealers in that county.

2. The patronage in this as in other ridings is controlled by the government.

3. Yes.

4. Yes, tenders have been asked for from Conklin Planing Mills and Ludlam-Ainslie Lumber Company, but not from Smith Lumber Company of Harrow, Ontario, whose name does not appear in the Canada Gazetteer or Fraser's Directory of Lumber Industries.

5. Yes.

GREAT LAKES LEVELS

Mr. ARTHURS:

1. Having regard to sessional paper No. 118, question No. 1, has any department of the government kept any record of the levels of the great lakes or any part thereof, for all or part of the last ten years?

2. If so, what does such report show as above or below zero?

3. What is zero for each of the great lakes?

Hon. Mr. CARDIN:

1. Since 1910 precise records, of the levels of the great lakes, have been kept under the hydrographic survey branch of the Department of Marine and Fisheries. The records are computed from hourly readings obtained by maintaining automatic water gauges on each lake.

In addition to the above, copies of all other authentic water levels (from staff and automatic gauges) of the great lakes, since 1860, have been obtained from both Canadian and American sources. These records have been compiled to a relative basis for comparison with the later records.

2. On the great lakes the yearly mean surface elevations have shown an almost constant lowering of the surface from 1916 and 1919 to the present year of 1926, as follows:

		Feet
Lake Superior..	1916-1926	Loss 2.40
Lake Huron..	1918-1926	Loss 3.19
Lake Erie..	1919-1926	Loss 1.80
Lake Ontario..	1919-1926	Loss 1.84

During 1926, record low-water levels were established for each of the great lakes.

3. All surface elevations of the great lakes are in feet above mean sea level and are referred to the United States lake survey levels of 1903 adjustment.

GOLD AND SILVER COINAGE

M.r BARBER:

1. In what years was Canadian gold coin struck by the Royal Mint?
2. Is it the intention of the government to resume gold coinage?
3. What was the amount of silver coin struck by the Royal Mint during the years 1922, 1923, 1924, 1925, 1926?
4. What was the amount of silver coin issued during the same five years?
5. What was the amount of silver coin in circulation during the same five years?
6. Has the government taken any action toward remitting or exporting American silver coin?
7. If not, why not?
8. If so, when and what action has been taken, and what amount has been exported?

Hon. Mr. ROBB:

1. 1912, 1913 and 1914.
2. Yes, if demand warrants it.
3. 1922, 1923, 1924, 1925 and 1926—nil.
4.

1922	$24,000
1923	28,000
1924	.....
1925	14,000
1926	50,000

5.

Average circulation, 1922	$26,632,500
Average circulation, 1923	26,537,800
Average circulation, 1924	26,495,300
Average circulation, 1925	26,337,400
Average circulation, 1926	26,124,400

6. Yes.
7. Answered by No. 6.
8. Since June 15, 1926, United States coin has been accepted at the offices of the Assistant Receivers General and up to March 8, 1927, $1,422,500 has been exported.

GEORGE H. WORDEN

Mr. JONES:

1. Was one George H. Worden, postmaster at Starkeys, Queens county, New Brunswick, dismissed by the present government?
2. If so, who recommended dismissal, and on what charges?
3. Were there any charges against the said Mr. Worden?
4. If so, by whom were they made?
5. What was the salary of the said postmaster?

[Mr. Cardin.]

Hon. Mr. VENIOT:

1. Yes.
2. Doctor D. H. McAlister. Dismissal on ground of better location needed.
3. No.
4. Covered by No. 3.
5. Salary and allowances, $86.

BIENFAIT-ESTEVAN LIGNITE COAL AREA

Mr. McKENZIE:

1. To what extent is lignite coal from the Bienfait-Estevan coal area being used for heating the federally owned or occupied buildings in southern Saskatchewan and southwestern Manitoba?
2. Has it given satisfaction and proven an economical fuel where used?
3. If it is not being used in all the federal buildings in this area, is there any reason why it should not be used in all such buildings within a reasonable distance of the said mines?

Hon. Mr. ELLIOTT:

1. Used in the public buildings at Estevan and Weyburn, Saskatchewan, and is being tried out this year in the public building at Virden, Manitoba.
2. Yes, at Estevan and Weyburn. No report yet received from Virden.
3. No, provided it could be delivered at a price which would compare favourably with that of other coal, on the basis of calorific value.

QUESTIONS PASSED AS ORDERS FOR RETURNS

LEAMINGTON ONION WAREHOUSE

Mr. GOTT:

1. What was the total cost of the onion warehouse at Leamington, Ontario?
2. How is the warehouse operated?
3. Who is in charge of same?
4. What salary is paid any and all employees, and what are the names and respective wages or salary paid?
5. Have complaints reached the department recently that onions are being imported from foreign countries while onions are still in storage at Leamington?
6. What amount of onions is now in storage in the government warehouse at Leamington, Ontario?
7. Why was the onion warehouse at Leamington erected?
8. What policy of protection does the government deem in the best interests of the onion growers of Canada—one which protects their crops from frost after being harvested while foreign onions are being consumed on the home market, or one which prevents foreign competition from exploiting our markets and forcing our growers to seek cover and await an opportune time to dispose of their crop while cheap surplus produce floods our markets?
9. How many tons of onions were raised in Canada in 1925-1926?

10. How many tons of onions were grown in Essex county in 1925-1926?

11. How many tons of onions were consumed in Canada in 1925-1926?

12. How many tons of onions were imported into Canada in 1925-1926, giving imports from the respective countries?

CANADIAN NATIONAL RAILWAYS—PRIVATE CARS

Mr. BENOIT:

1. How many private cars were leased or owned by the government and what were they named or numbered, from 1911 to 1921, inclusive?

2. What was the total cost of said cars and the amount expended during the said period of years in making repairs or changes to such cars?

3. What was the cost of operating same during the calendar years above mentioned?

4. Was anything paid for hauling or shunting of said cars during each of the said years? If so, how much?

5. Where were the said cars located, how many at Montreal, how many at Ottawa, and how many elsewhere?

6. Had any of the departments of the government or ministers of the same, cars for their particular use, and what were the names and numbers of such cars and the departments and ministers making use of the same?

7. Were any of the cars referred to placed at the disposal of other ministers or other persons during the last five years of that period? If so, when and by whom?

8. Do any of the railways in Canada or in the United States make any charge for transportation or handling of said cars? If so, what is the rate, and do the companies in Canada by courtesy dead head said cars?

GOVERNMENT MOTOR CARS

Mr. BENOIT:

1. How many motor cars were purchased for the use of the several departments of the government, of what make were the said cars, what did each cost, and when were respective purchases made, from 1911 to 1921, inclusive?

2. During above period how many automobiles were purchased for the personal use of the cabinet ministers, of what make was each car, when purchased and what was the cost of each?

3. What was the amount expended for maintenance and repairs of cars referred to in questions one and two?

4. During above period how many chauffeurs were paid out of the public treasury for driving the cars used by the ministers of the crown, and how much have such services cost in salaries and uniforms.

5. Were the chauffeurs referred to in previous question permitted to avail themselves of the ministers' automobiles for their personal use, and that of their friends?

SOLDIER SETTLEMENT BOARD

Mr. GARDINER:

1. How many soldier settlers are there in the Calgary district who have received loans from the Soldier Settlement Board?

2. How many of these loans were for the purchase of land, stock, and implements?

3. How many of these loans were for the purchase of stock and implements only?

4. How many seizures of crops or grain were made by the Soldier Settlement Board in this district in the crop year of 1926-1927?

5. How many chattel mortgages were secured on crops or grain in the Calgary district for the crop year 1926-1927?

6. How many soldier settlers in the Calgary district have paid their annual payments in full for the current year?

7. The number of settlers in arrears in this district to date who were not asked for a chattel mortgage or whose crops were not seized?

8. The reason why crops or grain were not seized or chattel mortgages secured where the payments to the board were in arrears?

UNOPPOSED MOTIONS FOR PAPERS

NATURAL RESOURCES OF MANITOBA

Hon. Mr. STEVENS:

For a return of all correspondence of whatsoever character that has passed between the Dominion government or any minister or officer of the Dominion government and the Premier of Manitoba or any minister of officer of the government of Manitoba since the year 1920 to date, and having reference to the turning over to the province of Manitoba of its natural resources.

QUEBEC POSTMASTERS

Mr. CAHAN:

For a return showing:

1. The names and addresses of each and every postmaster in each and every electoral district of the province of Quebec who has been dismissed from office since September 25, 1925.

2. The persons and their addresses on whose charge or complaint each such dismissal was made and the grounds set forth in each such charge or complaint.

3. The names of the postmasters who received copies of the said charges or complaints so made against them and were given an opportunity to present their defence against such charges or complaints.

4. The amount of the annual salary or revenue being received by each postmaster so dismissed.

5. The names and addresses of those who have been appointed to fill the offices so vacated by the postmasters who have been so dismissed.

6. The names and addresses of those on whose recommendations the new appointments were made.

ILE HAUTE LAND LEASE

Mr. MacLAREN:

For a copy of all letters, telegrams, leases, reports and other correspondence or communications between the government of Canada or any official of the government, since January 1, 1922, relating to the granting of a lease of land on the Ile Haute, bay of Fundy, to Sidney Kerr of St. John, New Brunswick.

NOVA SCOTIA POSTMASTERS

Mr. ERNST:

For a copy of all letters, telegrams, and all other documents or correspondence between the Postmaster General, or any official or officials of the Postmaster General's department, and any other person or persons, relating to the dismissal of Brunswick Rhodenizer, postmaster of Upper Branch, Lunenburg county, and the appointment of a successor in office; the dismissal of James Backman, the postmaster at Aspotogan, Lunenburg county, and the appointment of a successor: the dismissal of M. A. Harlow, postmaster at North Brookfield, Queens county, and the appointment of a successor.

RABIES IN CANADA

Mr. GUERIN:

1. For a copy of all correspondence, letters, telegrams and other documents in the possession of the government which are supposed to prove the existence of rabies in the country.
2. A copy of all orders issued by any department of the government in connection with the supposed outbreak of the disease.
3. A return showing how many persons are supposed to have been infected, and what the mortality has been to date.

HASTINGS MILL SITE

Mr. COOTE:

For a copy of all correspondence, letters, telegrams, and other documents exchanged between the Vancouver harbour board or the government, and the former owners or their agents or any other parties, regarding the purchase of the Hastings mill site.

SEIZURE OF S. S. WESTERN

Mr. W. G. ERNST (Queens-Lunenburg) moved:

For a copy of all letters, telegrams or other correspondence between the Department of Customs, or any official thereof, or the Department of Justice, or any official thereof, and any person or persons, whether employees of such departments or not, relating to the seizure of the ss. Western and the disposal of the cargo of the said steamship, in or about the months of November, December, 1926, and January, 1927.

Hon. J. A. ROBB (Minister of Finance): In the absence of my colleague the Minister of Justice (Mr. Lapointe), we will allow this to pass subject to any reservations as to what may be considered in the department as confidential. I am not sure that there is anything confidential, but there may be.

Motion agreed to.

UNEMPLOYMENT, SICKNESS AND INVALIDITY INSURANCE

Mr. A. A. HEAPS (North Winnipeg) moved:

That, in the opinion of this House, the committee on industrial and international relations be instructed to investigate and report on the establishment of a system of insurance against unemployment, sickness and invalidity.

He said: Mr. Speaker, the motion which I have before the House at the present time asks the House of Commons to submit this particular question for investigation to one of the standing committees. I do not expect that a committee which would investigate a question of such magnitude and importance, would be able to do anything with it during this session or even during two or three sessions. The matters involved are fairly large and cover a very wide territory. It is, however, approximately twenty years ago that the question of old age pensions was referred to a select committee of this House, and even at this date old age pensions have not become a fact in Canada but are still under review before one of the houses of parliament. I hope that the proposal I am introducing on this occasion will not take as long to become the law of the land as is likely to be the case with old age pensions. Legislation along the line which I have in my motion is already in effect in many parts of the British Empire. In Great Britain unemployment insurance has been an established fact since 1911, and I believe it was about the same year that similar legislation became effective in Australia. In other parts of the world they already have unemployment as well as sickness and invalidity insurance, and I think Canada is behind the times in not having on its statute books legislation the same as they have elsewhere.

I believe this question is not new to the Liberal nor the Conservative party, because both of those parties have had it as a party matter under consideration in years gone by. In 1919 the Conservative party appointed a royal commission to investigate the question of industrial conditions in the Dominion of Canada. It was a very representative commission composed of employers, employees and others, and was presided over by Chief Justice Mathers of the Province of Manitoba. At page 6 of its report I find the following:

The chief causes of unrest may be enumerated as follows:

And the first cause given is:

Unemployment and the fear of unemployment.

The commission recommended:

Immediate inquiry by expert boards into the following subjects, with a view to early legislation:

(a) State insurance against unemployment, sickness, invalidity and old age.

This was in the early part of 1919. Not to be outdone, my friends of the Liberal party

went one better and at their convention in August, 1919, passed resolutions of a similar nature. I am extremely sorry that the right hon. Prime Minister is not in his seat, for I would give anything this afternoon to hear him deliver in this House exactly the same speech that he gave before the Liberal convention. No doubt as a result of his eloquent appeal to his fellow Liberals on that occasion, the following resolution was passed.

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

The convention further resolved:

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

And it was also further resolved in the fourth paragraph that there should be:

Effective legislation for the conservation of human life and health.

So, Mr. Speaker, my resolution follows out exactly the platform adopted at the convention of the Liberal party in 1919, and is along the lines of the recommendations of the royal commission appointed by the Conservative government of that day.

I wish now, Sir, to refer to another royal commission which investigated this question. I do not propose this afternoon to deal with unemployment insurance itself, but to emphasize the necessity at this particular juncture of having the subject matter of my resolution referred to the committee on industrial and international relations for investigation and report. During the last sixteen years unemployment insurance has been in effect in Great Britain, and there were some who doubted the wisdom of such legislation. Last year the Conservative government of Mr. Baldwin appointed a royal commission to inquire into the question and report to parliament thereon. The commission was presided over by Lord Blanesburgh, and its personnel was of a fairly representative character. It was not until about four weeks ago that the commission presented its report, to the effect that unemployment insurance has become a permanent feature of the code of social legislation in Great Britain, and that although there had been complaints made in regard to the administration of the act, particularly in regard to what is termed the "dole" system, those complaints were not substantiated before the commission. In fact the report states that no evidence had been adduced to prove that the act had been in any way abused. Indeed, the commission endorses the principle of the legislation. In view of its having been in effect in Great Britain for sixteen years, I do not think Canada should be so far behind the old country in such social legislation.

As an excuse for lack of action along this line it may be pleaded that the conflict of jurisdiction as between the provinces and the Dominion precludes our legislating in this regard. Personally I think, as the Liberal party thought in 1919, that that difficulty should be overcome, and I believe it could be overcome if a committee took this matter in hand as I propose. The insurance of workers against sickness and unemployment is of the utmost importance to our Canadian working people. Last session the government set up a Tariff Advisory Board to inquire into industry, to give an opportunity for those who want higher protection to plead their case before it. In other words, the government set up a commission that was solely concerned with industry and the capital invested in it. While we give ample consideration to industry, we give very little to the most vital factor in industry—the human element. For many months in this House the main bone of contention between the two old parties is protection for industries, and hardly ever do we hear any plea for the protection of our men and women. I think it is time that a little more attention was given by parliament to the human factor in industry.

Mr. McLEAN (Melfort): Do I understand the hon. member to say that this government set up a tariff board with the sole purpose of giving tariff protection to industry?

Mr. HEAPS: No, my hon. friend is mistaken. I never used the word "sole" in that way.

Mr. McLEAN (Melfort): I distinctly heard the word "sole" used.

Mr. HEAPS: Then it was never intended. I think words are being put in my mouth that I never intended to use. I said the Tariff Advisory Board was set up last year for the purpose of giving industry an opportunity to ask for more protection. I added

that we set up these commissions to give people an opportunity to appear and ask for more protection, but we do nothing along the same lines to afford protection to the human element in industry. I am trying to point out the different way in which we have treated these two factors in industry—the human and the capitalistic. We are prepared to give all kinds of protection to the one, but none to the other.

Mr. McMILLAN: Does the hon. gentleman think this tariff board—

Mr. GARLAND (Bow River): Order! Stand up if you want to ask a question.

Mr. McMILLAN: Excuse me. Does the hon. gentleman mean to convey the idea that the tariff board was set up in the interests of capital rather than of labour?

Mr. HEAPS: Mr. Speaker, I am confident that my hon. friend knows a little better than he would have us think he does. All tariff protection in this country is for the benefit of capital, and nothing else.

Some hon. MEMBERS: Oh.

Mr. HEAPS: Yes. When applicants appear before the tariff board for more protection for industry they are applying for more protection for capital. A large delegation representative of 2,000 employees in a certain industry in Ontario came to my office to interview me yesterday. This industry I speak of is well protected.

An hon. MEMBER: Where is it?

Mr. HEAPS: Never mind where it is. It is a fairly large industry in Ontario.

An hon. MEMBER: Where?

Mr. HEAPS: I do not mind saying it is in the constituency of Algoma, and, as I say, it employs about 2,000 men.

Mr. SIMPSON: What industry is that?

Mr. HEAPS: The Algoma Steel Corporation. The men in that industry were working on two shifts of eleven and thirteen hours respectively, and their wages run from 35 to 52½ cents per hour. How much protection did those workers enjoy? We are pleading for the government to take some action to improve the conditions under which these people have to work. And the same conditions have existed in the province of Nova Scotia. As a matter of fact it will be found, no matter where you go in Canada, that so far as the labour end of industry is concerned there has been no protection whatever.

[Mr. Heaps.]

Mr. SIMPSON: Do I understand the hon. gentleman to say that the men connected with the Algoma Steel Corporation were not in favour of protection for the steel industry?

Mr. HEAPS: I did not say that, but I may reply to the hon. gentleman by illustration. When the slaves of the southern United States were about to be freed they themselves fought on the side of their masters, and you may find these men in Algoma believing protection to be of some advantage to them, although so far it has done them no good.

As I said at the outset, I do not intend to discuss this resolution at great length. I have brought the matter up in the hope or having it referred to one of the standing committees. During the past two years we have established a committee on industrial relations which is fairly competent to handle such a question. It is high time that we placed on the statute books of this country social legislation of the character that has been in effect in other parts of the empire for the past fifteen or twenty years, and I hope that on this occasion the government will in no way oppose the reference of this question to the standing committee on industrial relations, who have every facility for making a complete study of the situation and whose report might lead to useful action and satisfactory results.

Mr. C. R. McINTOSH (North Battleford): As chairman of the committee on industrial and international relations, I have listened with interest to what the hon. member for North Winnipeg (Mr. Heaps) has had to say on this subject. The ideas which he has submitted to the House this afternoon were discussed by members of this House before that committee last year, and while as a Liberal I am not opposed to any resolution of this nature, while I am prepared to admit that the Liberal party is considerably interested in resolutions on which legislation making for social justice can be based, I must say that the argument of my hon. friend in regard to the tariff board does not appeal to me. The hon. gentleman touched on the relations of industry and humanity, and I fail to see how the one can be separated from the other. The welfare of industry and that of humanity are wrapped up in each other, at least to a large degree. The tariff board was set up by this government as a means of securing all the facts so as to determine fairly and equitably whether the tariff in any instance should be raised, lowered or eliminated. It is just possible that in some industries protection might be altogether removed, and if so, it is the duty of the tariff board to obtain all the evidence available and

present all the facts to the Minister of Finance (Mr. Robb) who can take the matter up with the House as a whole and have it dealt with by recommendation in that way. In some instances the evidence adduced before the board might lead to the raising of the tariff or the lowering of it, but whatever it might lead to there is no doubt about it that the best way in which any tariff proposal can be investigated or any tariff grievance remedied is through the instrumentality of just such a board which can deal rationally and successfully with the whole question of tariffs. I do not think it will be seriously questioned that the welfare of humanity, the good of the race, and the progress of industry are interdependent. This being so, the Liberal party in creating the tariff board has shown a desire to put industry and the individual employee upon a sound basis.

The resolution before us to-day is important, but it is not necessary to discuss the tariff board in order to come to a decision regarding this motion. Last year there came before the House a similar social resolution, as I may term it, to the following effect:

That in the opinion of this House, a wage sufficient to provide for a reasonable standard of living should constitute a legal minimum wage.

The subject suggested by that resolution was considered for about two months by the select committee on industrial relations. It was a wide resolution and one that called for close attention if it was to be wisely reported upon. The committee considered it for two months or so, and drew up a report which was presented on June 16 and concurred in on June 30th, the day before dissolution. The report of that committee is before parliament and the people of the country. Its final recommendation proposed two things, first:

That a conference of provincial and Dominion representatives intimately in touch with labour conditions throughout Canada be held in the near future to consult as to the best means to be employed of giving effect to the labour provisions of the treaties of peace.

That was the first recommendation; the other was that 10,000 copies of the report should be printed and distributed throughout the country in order that men and women in touch with labour conditions might study the subject and be apprised that so far as this parliament, at least was concerned, there was no reluctance to discuss social legislation and to report conclusively thereon. It will be observed that the main part of the report recommends the submission of the question to an interprovincial conference. I understand that interprovincial conference is being held this year, and I wondered if the hon. member for North Winnipeg would not think it the wiser course to have this resolution taken up then, and to allow that conference to deal with it for this year. This resolution is very closely connected with the one with which we dealt last year, and there is no reason why the interprovincial conference should not deal with it. We have just put through one piece of social legislation, the old age pension bill; that question first came up twenty years ago, and ever since we have been discussing it and developing public opinion until it could be sanctioned by this House. That bill is now before the Senate, and while it is there I would think it perhaps better not to prejudice the upper chamber against too much social legislation; I think perhaps this matter should be dealt with for the present by the conference this summer, and then if necessary it could be taken up here next year. The hour of the session is getting quite late; it will take two or three months to investigate this question and while we could start it this year of course we could not hope for a final report, so I would recommend that this action be taken.

Before taking my seat, Mr. Speaker, I would like to emphasize the fact that as a member of this House and of the Liberal party I sympathize with legislation of this kind. I gave last year's resolution all the support possible, and in the days to come I will be only too willing to coöperate with any hon. members who are interested in further social legislation of this kind. But while I hope we will not have to deal with too much of this legislation, because it means an expense to the country and from a financial point of view we can only deal with a certain amount at one time, I am sure hon. members on both sides of the House will be only too glad to give such a resolution as this their hearty approval.

Mr. GARLAND (Bow River): Is the hon. member speaking for the government?

Mr. McINTOSH: I am speaking as a member of the Liberal party; I am not dealing with the question as to whether the government is taking this view of the question or not. Does that satisfy my hon. friend.

Mr. GARLAND (Bow River): I am not sure that it does; I do not wish to interrupt the hon. gentleman but he asked me a question. It does not satisfy me, if the hon. gentleman is expressing the thoughts of the Liberal party.

Mr. McINTOSH: I did not think it would satisfy the hon. member, but I cannot help that. In conclusion, Mr. Speaker, I would like to repeat that while the old age pension bill is before the Senate it might be wise to have this resolution referred to the interprovincial conference which will take place during this coming summer. Further, since we expect that bill to become law, there will be a certain financial obligation connected with it, and since it is possible to go too far in work of this kind, I would suggest that we make haste slowly. Haste means nothing but delay. I think the best thing to do with this resolution is to permit the interprovincial conference to deal with it.

Mr. H. B. ADSHEAD (East Calgary): In support of this resolution I may say that the question of unemployment was first thrust upon my notice in 1913, when a motley crowd appeared on the streets of the city of Calgary with banners reading, "Shall we work, starve or steal?" We endeavoured to provide work for those men, and ever since that day the question of unemployment has been not only before the city of Calgary but before every city in the Dominion and the Dominion government as well. If you do not look upon the question from a humanitarian standpoint but from the dollars and cents side only,—and I am not going to take up the time of the House in discussing the question except to urge that it be referred to a committee—even from a financial standpoint it would be worth while. The Minister of Labour (Mr. Heenan) might give us the figures to show what this condition is costing Canada year by year. Last year in Calgary alone it cost this government in the neighbourhood of $5,000, and I know it cost more in Edmonton and in other cities throughout Canada. So it will be seen that even from a financial standpoint it would be worth while to refer a question of this kind to a committee of this House in order that it may receive due consideration and that some solution may be found. Whether we want it or not, that question is before us and will always be before us, and the probabilities are that the financial burden will increase instead of diminish unless we meet it in a non-partisan way and attempt to solve the difficulty. Therefore I urge that this parliament refer this question to the consideration of the committee.

Mr. J. G. ROSS (Moose Jaw): I have only a few words to add to what has already been said in regard to this resolution. I am in favour of any measure which will assist the working men of this country, but before this resolution goes to committee I would like to say something I endeavoured to say the other night when we were discussing the estimates. Before this country starts any new system of unemployment insurance, and before we undertake any expenditures of money in connection with sickness or disability insurance for workmen, I think we should first of all look into the cases of the returned men who have not been provided for by the government. There are a great many men in Canada who came back from overseas under certain disadvantages, and under our present system many of these men have been turned down and are receiving no pension or a very small amount so that some of them are actually on the verge of starvation. Under our law as it is at present these men have to show that their disability is connected with their overseas service. In the minds of those who have seen a great many of these cases there is no doubt that the trouble is actually connected with their overseas service, but it is impossible to prove that or to show that the disability has been continuous or, as they say, to prove continuity. Before we start to spend money on others in this country I say we should look after every returned man and every widow who is destitute. I have been endeavouring for over a year to have some four or five cases taken up by the Board of Pension Commissioners, by the appeal board and by the department, but so far I have had very little success. If this resolution goes to committee I believe this matter should first be looked into. We ought to look after our people who are to-day destitute on account of the war. When you go to these departments and go to the board they tell you, "Well, if you allow that case you let in fifty or a hundred others and that will cost this country millions and millions of dollars." I believe that no matter how much it costs this country we owe these people justice, and even if we have to spend millions of dollars let us carry out the deal we made with them when they enlisted, and look after them.

My hon. friend spoke of the dole system. I hope we will never see the day in Canada when that will be needed. In my opinion it has not proved a very great success in other countries and I think has undermined labour to a great extent in these countries.

My hon. friend also spoke of the immigration into Canada. It seems that some hon. gentlemen in that corner of the House are afraid to let people come into this country.

Mr. HEAPS: Who mentioned that question in this discussion?

Mr. ROSS (Moose Jaw): I think you mentioned, it, did you not?

Mr. HEAPS: I do not think so.

Mr. ROSS (Moose Jaw): I think that in talking of unemployment insurance you did.

Mr. HEAPS: No.

Mr. ROSS (Moose Jaw): I was not referring particularly to the hon. member's remarks, but time and again members in that corner of the House rise and ask questions of the Minister of Immigration in that connection; they seem to be afraid to let people come into this country.

Mr. IRVINE: Is there any relationship between immigration and unemployment in this country?

Mr. ROSS (Moose Jaw): No doubt there is, but I point out that several hon. gentlemen in that corner came into this country as immigrants at one time, and they have not done too badly since coming to Canada. If we had had an immigration policy that excluded people from this country at the time our forefathers came here, when there was nothing to offer them in the way of employment—had they been shut out at that time Canada would never have become the country it is to-day, nor could it attain in the future to the country it is destined to be. People of the white race who are healthy should be allowed into Canada, any number of them. We can assimilate them. But one of our great troubles in Canada to-day in regard to immigration is the fact that practically every province in the Dominion is calling for more immigration but will not itself look after its unemployed. It wants to force the Dominion government to bring people here and when they are brought the first excuse advanced is that they are not the right class of people.

Mr. WOODSWORTH: Is the hon. gentleman aware that a very considerable number of the people that have to be supported in the city of Winnipeg come from the province of Saskatchewan after the harvest is over?

Mr. ROSS (Moose Jaw): I think it is entirely unnecessary to reply to that question. As a matter of fact, Saskatchewan has always had less unemployment than any other province.

Mr. GARLAND (Bow River): Yes, because the unemployed are getting out of the province.

Mr. ROSS (Moose Jaw): The people spoken of as coming after the harvesting of the crops are not people from Saskatchewan.

Mr. WOODSWORTH: We have to support a number of them during the winter.

Mr. GARLAND (Bow River): What an argument!

Mr. ROSS (Moose Jaw): If we allowed the provinces of this Dominion to say what kind of people they wanted, and if we secured that class of people on the condition that after they had been brought in by the Dominion the provincial governments would look after them, we would not have any further cry for immigration from those provinces, and we would not have any cry on account of the kind of people that come here. The whole trouble is that the provincial governments like to put this matter up to the Dominion but will not do their own part in looking after those people after they come here.

As I said before I am in favour of this resolution going to committee, but I think the first thing that should be looked into is the condition to-day of the returned men, and of the wives and children of the soldiers who went overseas. That phase of the matter should first be investigated by the committee and then by this House, and if necessary we must spend the money needed in looking after these people.

Mr. E. J. GARLAND (Bow River): I do not intend to delay the House very long on this question. I simply want to congratulate the last speaker (Mr. Ross, Moose Jaw) on his intention to support the motion, and to suggest that it was with considerable regret that I listened to the ultra-Tory argument of the hon. member for North Battleford (Mr. McIntosh). It is very disappointing to me to find—

Mr. McINTOSH: May I ask my hon. friend a question? Is he an apostle in the matter of interpretation of Tory propaganda and arguments?

Mr. GARLAND (Bow River): I have listened to Tory argument in this House for six years and am a fairly good judge of its character.

Mr. JACOBS: Will the hon. member say in what part of the House he heard it?

Mr. GARLAND (Bow River): The hon. gentleman raises a point that is very well taken. It is difficult indeed after listening to the hon. member for North Battleford, and sometimes to the hon. member for Cartier (Mr. Jacobs), to tell what corner of the chamber should be assigned to them. When a member of the Liberal party, particularly one from the wide open spaces in the west on

an innocent motion of this nature which simply asks for a committee of investigation raises the argument "Hush, hush, you might spoil the sleep of the Senate," it makes me tired. Why worry about the effect on the Senate of resolutions that are discussed in this House? That is not our business. We have no dealings with those gentlemen, at least I hope we do not—we are supposed not to have. The idea of raisng the argument that we should not, when a question is discussed in this House, send it to a committee for consideration for fear it might prejudice the Senate against the old age pensions bill! I am sure the Senate will be delighted to know that the hon. gentleman is so solicitous of their mental condition.

Another point the hon. gentleman raised was that last year social legislation of this character was discussed before the industrial relations committee. What was discussed there was the question of a minimum wage, and that alone. We discussed the question for two months and as a result of that discussion brought in some recommendations which the hon. gentleman has read, the principal one having reference to a conference of the provinces. This resolution is much wider in scope. It calls for relief for the labouring people of this country through the establishment of insurance against unemployment and insurance against sickness and invalidity. I remember very distinctly reading not very long ago a speech made by the leader of the party to which my hon. friend belongs. The Right Hon. William Lyon Mackenzie King made a speech which for its marvellous oratory, for its wonderful appeal to the human mind from the point of view of humanity, and for its understanding of the human element in the industrial world, has seldom if ever been equalled, certainly not in this country. And yet I find hon. members in his party to-day rejecting the theories which their leader has put forth, when they have an opportunity to practise them. After all a time does come in the history of men and parties when action must be taken upon those wonderful thoughts and theories which they develop usually in their youth and discard in later years, I am sorry to say. But the time has now come when the Liberal party ought to show at least some sympathy towards labour and labour conditions in this country. I do not expect any from my hon. friends to the right—I may be entirely surprised, I hope I shall be; I have been from time to time surprised at some quite advanced views of gentlemen to my right, and I think they are coming along very well, but in this matter I do not expect much support— so I am appealing to the Liberal party not to be false to its pledges and recreant to the statements and promises it gave to the public in the resolutions which it passed at the Liberal convention in 1919. That is not too much to ask and the problem is an enormous one. I can perhaps here illustrate the point by quoting from Mr. Arthur Kitson, a man who has won world-wide recognition, first as a banker, then as an economist, and in England itself as president of the Banking Reform League. His remarks with respect to unemployment are as follows:

> It is quite certain that the need for labour must become less and less with the growth of inventions and the increase in industrial efficiency.

How true that is, Mr. Speaker, only those of us who go through the factories of this country can readily realize. Not long ago I was in the city of Montreal going through some of the cotton mills there, and I saw in those factories great looms, thousands and thousands of them, replacing hundreds of men and women, and now being operated by children—yes, and I am afraid in some cases children not of the full age of sixteen. We saw an example there of the displacement of labour created by the inventions to which Mr. Kitson refers. He goes on:

> Indeed, the real problem we have to solve is not so much that of finding constant employment for our people, as our supplying them with life's necessities and comforts out of the abundance of goods created.

There is no difficulty about producing to-day. We have developed that almost to perfection. Whatever new thing comes along, we rapidly develop mass production of it. In agriculture, and in the cotton mills themselves, this country with only a fraction of its present population could produce not only as much or more than it is producing to-day, but could supply everyone with all of these goods that they need if only they had the means of purchasing them. He goes on:

> Even to-day the labour of less than ten per cent of the population will readily suffice to maintain the entire inhabitants of this country in a high state of comfort. Suppose—

And this is an argument which must appeal:

> Suppose discoveries and inventions during the next half century result in the displacement of all manual labour by machinery; must the bulk of the world's inhabitants then perish?

Is the Malthusian doctrine to be accepted and the Christian doctrine abandoned? That is the only inference that can be drawn from the attitude of hon. gentlemen who would oppose legislation to meet the conditions

which they see around them, and which are intensifying every day. I understand that an ancestor of mine committed a sin at one time.

Mr. SANDERSON: Surely not.

Mr. GARLAND (Bow River): I am afraid so. He might indeed be an ancestor of my hon. friend. His name, I think, was Adam. It is true the hon. gentleman may have come from some other source, but I had not suspected that, not being a believer in the Darwinian theory. However, Adam, I am informed, did sin, and as his punishment, shall I say, it was decreed that he and his children should henceforth earn their bread by the sweat of their brow. That was a form of punishment. Well, Mr. Speaker, we have in our cities to-day, we have right here in the city of Ottawa, men and women praying to God for a chance to have sweat on their brow so that they might live. These things can hardly be justified in what we call a Christian country, yet so cold-blooded have we become in the great march of commercialism, in the bitterness of the competitive struggle between great groups of financiers, that the sense of equity and justice to humanity is almost entirely lost.

One of the great reasons for the vast amount of unemployment is the wrong distribution of the products of labour. Altogether too much goes to entrenched capital. Too much goes to the owner of the factory, and too little to the man who does the actual work. If there was less unemployment at what is called the top of society, there would be a great deal less unemployment at the bottom. That is another phase that might be considered by the committee.

I do not wish to delay the House any longer. All I do ask is that hon. members take into consideration, in a manner which will do justice to themselves hereafter, this resolution of a simple nature, which only asks for an investigation. If it took two months to examine the minimum wage recommendation of last year, and if after two months of that investigation hon. gentlemen found that the committee referred the question for further consideration to an interprovincial conference, surely no harm could be done and much good might result if we referred this broader question to a committee for consideration during the next two months. The force of that suggestion is perhaps considerably added to when the House knows that the industrial relations committee, of which I am a member, has not had a meeting this year and is at the present time doing nothing. We might as well do something with our morning hours, and it would as well have the advantage of keeping some of our friends from becoming too deeply inoculated with Toryism through idleness.

Mr. A. W. NEILL (Comox-Alberni): Mr. Speaker, I wish to say only a few words to express my hearty support of this resolution. The hon. member who introduced it (Mr. Heaps) made what I thought was a casual allusion to the tariff board, merely in an illustrative way, and that has somewhat diverted the tone of the debate. There is no parallel, no comparison between the two.

Dealing with the resolution itself, we can remember that when the old age pension legislation was before the House an effort was made to have it more inclusive, to take in people of a certain age who were invalids, and particularly those who were blind, also a certain class of soldiers; but it was not thought desirable to mix up too many subjects in that bill. Now here is an opportunity to discuss some of those questions separately. The resolution proposes that the committee be instructed to consider a system of insurance against employment, sickness and invalidity. Blindness, of course, would be covered by that; also chronic disease. It is wide enough, I think, to cover the cases mentioned by my hon. friend from Moose Jaw (Mr. Ross), who points out that there is a class of soldiers not now eligible for a pension but who, as soon as they reach a certain age, will be requiring assistance. All these cases, I think, would be covered by this resolution.

The hon. member for North Battleford (Mr. McIntosh) suggested that this question might better be referred to the interprovincial conference to be held this fall. That might be a desirable thing to do, but I do not think it would do any harm to first refer the question to a committee which could give it a preliminary look-over, so to speak, and then if we found there was not time to deal with it thoroughly, we could refer the question, or some phases of it, to the interprovincial conference.

Another hon. member suggested that owing to our having passed the old age pension bill, if we passed this resolution also there might be danger of seeming in the eyes of another House to be determined to drain the exchequer with social obligations of this kind. There is not the slightest fear on that ground. To begin with, the resolution does not call

for the expenditure of money for that purpose. It simply says that the committee be instructed "to investigate and report on the establishment of a system of insurance against unemployment," et cetera, which would necessarily be of a contributory character, because insurance involves the principle of a beneficiary contributing partially or entirely to the benefits he receives. The main idea of this and similar resolutions which are of a practical character is educational. As the hon. member who introduced this resolution very wisely said, it took us twenty years of committee work to get the old age pension scheme brought to a head. I hope it will not take us so long to bring some phases of this question to a head, but certainly let us get it to a committee, where we can get the facts and the evidence to enable us to deal more thoroughly with the situation on a later occasion. If I might use the word, I would almost say that those who have the interests of labour at heart should indulge in a little mild propaganda, and I think we could "propagand," to coin a word, without infringing on truth and veracity as is so often done by those who plead for special interests in this House.

Mr. F. W. GERSHAW (Medicine Hat): I listened very carefully to the speech of the hon. member who introduced this resolution (Mr. Heaps), and I agree with practically all that he said. I do not wish to stress this problem for sentimental reasons; it will easily stand on its own footing from a practical and businesslike standpoint. I am not at all afraid of having too much social legislation on the statute books as from my knowledge of affairs I believe that is a very remote danger indeed.

Someone has mentioned the question of cost in connection with this proposal. I am sure that we will all agree, having in mind the accomplishments of the Great war, that the people of Canada can accomplish a great deal if the necessity is urgent and is impressed upon them to a sufficient extent. Most of the provinces have workmen's compensation boards, the aim of which is to put a man who has been injured as nearly as is humanly possible into the position in which he was before the accident. His salary, limited it is true, will continue and his hospital and medical attention will be provided. If there is any permanent disability, that is estimated and provided for. Therefore, as regards accidents I think the people are fairly well provided for by the various workmen's compensation acts. This resolution, however, suggests dealing with cases of unemployment, sickness and invalidity, and I am convinced that misfortunes of that kind are not amply provided for.

We have, it is true, various forms of insurance. The insurance companies in Canada have done a great service to our people. To get insurance, though, we require considerable capital to start with and a good deal of money to keep up the premiums, and many people in Canada to-day find it hard enough to get along and provide their families and themselves with the ordinary necessities of life, so that quite often they have not a surplus to invest in insurance, although such an investment brings good results. We also have the Canadian government annuities, and I am only sorry that the advantages of those annuities do not appeal more to the people generally. I believe a system of advertising should be undertaken, and I understand the minister has something of the kind in mind. But instead of putting up posters in post offices and other prominent places, the department should mail a short letter or pamphlet to the head of each family, so that he or she may read it over carefully at home and see just what the benefits of an annuity would be. The annuities which we have are truly very costly. They are supposed to be figured out on a 4 per cent basis in accordance with mortality statistics provided by the British offices. Those statistics were compiled a long time ago, and I believe somewhat better terms might be given in connection with those annuities, because we must remember that when an annuity is taken out, if the annuitant dies the principal sum is lost, so that the returns paid quarterly or half-yearly should amount to a little more than interest on the principal sum, and at the present time they do not amount to much more than that.

I believe if some system could be worked out as is suggested in the resolution, many people would not be humiliated by having to accept charity. No one wishes to accept charity, and if at the time they were able to afford to pay a small premium to protect themselves against the calamity of unemployment or sickness or invalidity which comes on through no fault of their own, that would be a great advantage.

In connection with our old age pension scheme, I am sure we are all in favour of a contributory scheme, and a scheme of the kind proposed by the hon. member would be a contributory scheme. It would allow us to

obtain the benefits, not when a certain age had been reached, but at the time when those benefits would be most needed, that is at the time of sickness or invalidity or unemployment. For these reasons I am heartily in favour of the sentiments expressed by the mover of the resolution.

Mr. L. P. BANCROFT (Selkirk): Mr. Speaker, I am absolutely in favour of the resolution moved by the hon. member for North Winnipeg (Mr. Heaps), and I think the House should allow it to go before the committee on industrial relations rather than send the whole broad question directly to the provincial conference as has been suggested. It would be better to have some concrete proposals worked out by the committee to present to that conference rather than to give it the whole broad question of unemployment insurance to discuss. Therefore, I am in favour of this resolution going to the committee.

Mr. LIGUORI LACOMBE (Laval-Two Mountains) (Translation): Mr. Speaker, I am not entirely opposed to the motion of the hon. member for North Winnipeg (Mr. Heaps) for it bears the stamp of the best philanthropy. However, I think that whosoever has in mind the welfare of his country should avoid to burden it with too heavy liabilities. Our present duty lies in meeting our indebtedness and reducing taxation, which, let us not forget, weighs heavier on the workman.

Let me, Sir, draw the attention of the House to our system of immigration. No doubt the government will pursue their sound policy on immigration by enforcing the act such as it at present exists, that is to say, by admitting only a select immigration. By only admitting to this country foreigners for whom positions have already been found, we would not be called upon to discuss an insurance scheme on behalf of destitute persons, and by being careful to admit into Canada but people sound of body and mind, we would render almost useless the enactment of the second part of the motion of the hon. member for North Winnipeg.

Let me also, Sir, point out to the hon. members of this House, the fact that pursuant to section 92 of the British North America Act, there exists in our constitution a proviso granting to provinces the right of establishing charitable institutions; previously to agreeing to the resolution at present before the House, I think, we should concur with the views expressed by the hon. member for North Battleford (Mr. McIntosh) and have interprovincial conferences. Like the hon. member for North Winnipeg, I greatly sympathize with the class of people who labour, suffer and strive hard, but, as I previously mentioned we should not burden our country with too heavy liabilities; we should strive to reduce our debt and taxation, and thereby lighten the taxes which ever since the war burden all classes of our population and more especially the labouring class.

Hon. PETER HEENAN (Minister of Labour): Mr. Speaker, at the outset may I say that I regard this as a very important question, because as the hon. member for North Winnipeg (Mr. Heaps) has well said, there is nothing so disturbing amongst the labouring people of this or any other country as the fear of unemployment. This question, however, has been the subject of investigations by many bodies, all of whom have made varying recommendations in regard to it. Some have recommended unemployment insurance through labour unions; others have suggested methods of providing more employment; while one commission that I had in mind recommended the transfer of men from one portion of the country to the other to meet conditions of seasonal unemployment. In a word, already we have on record such a volume of data that I do not think any additional information could be secured by the adoption of this resolution, but I have no objection to that course. I had the honour a year or more ago of moving a similar resolution on the floor of the Ontario legislature. Premier Ferguson at that time took the position that although the subject was within the jurisdiction of the province, he thought that Ontario ought not to embark on an unemployment scheme unless the other provinces did likewise, but he undertook to ask the Dominion government to call a conference to discuss this and other questions.

The member for North Winnipeg referred to certain utterances by the right hon. Prime Minister at the time of the adoption of the Liberal platform in 1919. I am sorry I had to leave the House at the time because I missed the opportunity of hearing whether he favoured the particular part of that platform dealing with this subject. Let me quote the particular resolution in this connection:

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

Mr. IRVINE: Seeing that the minister has just read the platform of the Liberal party which was drawn up at the national convention in 1919, would he indicate to the House how much has been done towards implementing it, and how much of it the government have discovered to be practicable?

Mr. HEENAN: The minister has not yet got far enough into his duties to ascertain all that has been done or all that is practicable to be done in this connection. But I do know that some of the things enumerated in that platform are to-day in operation in some of the provinces, no matter to whom credit is due for that condition of affairs. I do not say that we have gone too far or even far enough. I say that this is the platform as enunciated by the Prime Minister to be carried out by the Dominion in connection with the provinces. The premier of Ontario has also declared himself in favour of the same policy.

I think very great credit is due to the hon. member for North Winnipeg for moving this resolution, and on behalf of the government I can promise him that its subject matter will be submitted to the interprovincial conference which is to meet here during the coming summer.

Mr. HEAPS: Does not the minister think from practical experience that it would be far preferable to have something concrete to submit to the conference rather than just a bald question?

Mr. HEENAN: I take it for granted that the hon. member means that the committee on industrial and international relations would draw up something of a concrete nature for submission to that conference?

Mr. HEAPS: Yes.

Mr. HEENAN: I have already pointed out that I think we have available all the data that can be secured on this proposition. If, however, it is considered that the committee referred to can gather any further data I may say on behalf of the government that we have no objection whatever to the adoption of the resolution.

Mr. IRVINE: The committee could review the data which the minister says is available and bring in a recommendation on the subject matter of the resolution.

Mr. HEENAN: Like old age pensions, unemployment insurance has been recommended for a great many years, but personally I would rather see it in operation than read all the recommendations that may be made in regard to it.

[Mr. Heenan.]

Mr. IRVINE: That is all right.

Mr. HEENAN: I think there is something in the remarks of the hon. member behind me that we should be careful not—I think I will not proceed further along that line.

Some hon. MEMBERS: Oh, oh.

Mr. STEVENS: The minister is getting on dangerous ground.

Mr. HEENAN: I recognize that some method should be devised for dealing with unemployment. Whether that purpose can be attained by transferring men from one part of the Dominion to another according to the conditions of employment prevailing I know not; but I do know from practical experience that the present system is not in the best interests either of the working classes or of the country at large. I mean the granting of relief to our unemployed in one industry and the bringing in of immigrants to meet the demand for industrial labour in another industry. If the committee could devise a system of moving our unemployed to those sections where there is a demand for labour I think its work would be well worth while. In conclusion, I wish to say that so far as the government is concerned there is no objection to this matter being referred to the committee on industrial and international relations.

Mr. E. J. YOUNG (Weyburn): Mr. Speaker, I am not much in favour of this resolution. It is true the purpose of the resolution is simply to refer unemployment insurance to a committee, and on general principles I am not opposed to such action, in fact I am generally in favour of it. But in the last two weeks I have heard arguments from the other side of the House stating that to refer a question to a committee is tantamount to the adoption of the principle involved.

Mr. BENNETT: That is only in connection with a bill; this is a resolution.

Mr. YOUNG (Weyburn): For my part I am not prepared to admit the principle.

Mr. HEAPS: Does the hon. member object to this subject being referred to a committee because such action would involve the adoption of the principle of the resolution?

Mr. YOUNG (Weyburn): Yes.

Mr. HEAPS: Will the hon. member take the same stand in regard to the Georgian bay canal?

Mr. YOUNG (Weyburn): That is different. I may be in favour of that principle. I do not favour the principle of this resolution because I do not see the need for it in this country. It is true that after a dull season in the old country unemployment insurance may be needed, but their conditions are entirely different from ours. They have a small densely populated island and have developed its natural resources to the fullest extent of our present knowledge of science and industry. There the people have been taught from their infancy to work at one thing, and one thing only. If any of their industries is slack for a time, the people engaged therein are inevitably thrown out of employment and by reason of their specialized training they cannot get employment in any other industry. They are not able to adapt themselves to any other work that can be had in the country. There might be some justification for the dole system in the old country, but in Canada the problem is different. We have vast natural resources awaiting development, and if a man cannot find employment at one thing he can find it at another. There are seasonable occupations which pay big wages. A man can go to the harvest field and earn from five to seven dollars a day and when harvest and threshing are over he is out of employment. Does anyone expect such a man to receive a dole until he is able to find some other work? If he is thrifty he will have saved money against the time of unemployment. The same thing is true of the lumber camps. Men go into the woods in winter and get board and a certain amount of money, and if in the spring they happen to be unemployed they ought to have enough money saved, if they have been careful, to keep them until something else turns up. They do not need insurance against unemployment. They ought to be able to find some other form of employment, and in any case they should have money enough to keep them going until they do get other work to do. The problem in England is different. Here it is simply a matter of adaptability. The people are more adaptable and more ready to take on some other form of employment. It is merely a case of moving from one place to another to find something to work at.

Mr. ADSHEAD: Does the hon. gentleman contend that the thousands of dollars paid out by the minister last year in unemployment relief was wrongfully spent?

Mr. YOUNG (Weyburn): No, I would not say that; the circumstances might have been unusual. I do not suggest that, even if a man has been foolish and has squandered his money, help should be refused him, but I do not think we should say to such a man, "If you are foolish and squander your money you may look to us for help." I think it would be unwise to set up an institution which would virtually invite men to be wasteful.

Mr. HEAPS: Members of parliament?

Mr. YOUNG (Weyburn): Members of parliament too, yes. When we are turned out I do not expect any old age pension or unemployment allowance. If members of parliament were given an assurance that their jobs were permanent they might no doubt all vote for such a measure. Seriously, however, I cannot see that there is any need for such a measure as is proposed. As I have pointed out, we have a people who are capable of adapting themselves to the circumstances in which they happen to be at any time, and they ought to save enough money to take care of themselves when they are out of work.

Mr. NEILL: Would not the hon. gentleman's argument apply, as regards the unemployment dole, to sickness, invalidism and blindness?

Mr. YOUNG (Weyburn): Sickness, invalidism and blindness do not come within the province of this government. According to the British North America Act, section 92, subsection 7—

> The establishment, maintenance and management of hospitals, asylums, charities and eleemosynary institutions in and for the province, other than marine hospital.

—are matters that rest with the provinces and with which this government has no right to interfere.

Mr. NEILL: The same is true of old age pensions.

Mr. GARLAND (Bow River): Is the hon. member aware that his own party in 1919 unanimously adopted the very thing asked for in this resolution?

Mr. BROWN: Does not my hon. friend allow a man to be independent of his party?

Mr. GARLAND (Bow River): By all means, but let him declare himself.

Mr. YOUNG (Weyburn): I was not at the convention of 1919 which drew up the platform, and I had no part or parcel in that platform. I am merely expressing my own views to-day. I am not speaking for the government nor, indeed, am I speaking for the Liberal party. I do not know that this is a

government measure. My hon. friends will agree that a man has a right occasionally to differ from his party.

Mr. J. E. LETELLIER (Compton) (Translation): Mr. Speaker, it affords me much pleasure to have the opportunity of expressing my views on this resolution No. 15, which the House at present has under consideration. How is it possible to imagine that the government can grant every request of the country —among others tax reduction—and at the same time establish pensions for old age, the blind, workmen and destitute people over the whole country? I consider it absurd. Personally, and in principle, I would be willing to support such a measure, however, I realize that, at present, it is not practical to request the government, after considerably reducing taxation, to establish pension funds to meet, again I repeat—all demands of the country and factions being organized throughout Canada.

I lately received on behalf of the Montreal Blind Association, a request to kindly prevail on the Prime Minister to create pensions for the blind. In principle, I consider that it would be an essential necessity for this class of people who have practically no other means of earning a living and who are often placed in institutions, without even having the hope of relying on the support of some relative, because a great number of them have none.

I was glad to hear, a short while ago, my hon. colleague for North Battleford (Mr. McIntosh) move that these important measures be referred to the inter-provincial conference; and I add that we must not forget that our municipal authorities throughout the country have this duty and very ably look after the poor within their limits. Moreover, we have benevolent societies in most of our municipalities, and further, section 92, paragraph 7, of the British North America Act gives the right to organize charitable institutions. We, therefore, have sufficient protection in this regard not only in the parishes of our province but throughout all the provinces of the Dominion. Consequently I am confident that the present government will enact all the measures necessary to meet the needs of all. Resolution No. 15, which appears on the orders of the day, moved by the hon. member for North Winnipeg (Mr. Heaps), is certainly worthy of serious consideration on the part of the government, however, I add that in my humble opinion, the government is not, at present, in a position to acquiesce to these appeals. So long as the people of this country insist that the hon. Minister of Finance should endeavour by every possible means to decrease our debt, and at the same time reduce taxation, it would be imposing an enormous task on his shoulders to have him also find resources so as to establish pension funds of this nature in the course of the present session. I say the time is not opportune. Perhaps next session; as a possibility, but not as a certainty, I hope, together with the hon. members not only on the government side but also those included in all parties of this House, that in the near future, if not next session, at least the third session of this parliament, the hon. Minister of Finance will succeed—with the ability that distinguishes him and the support of his eminent colleagues—in finding ways and means to enact legislation which will bring happiness to our workmen as well as to the destitute people in this country.

Mr. W. J. WARD (Dauphin): Mr. Speaker, I had not intended to speak on this debate until a few moments ago. I think we owe a good deal to the hon. member for North Winnipeg (Mr. Heaps) for having brought this very important matter before the House. I think it is no less important than even the Georgian bay canal. I was rather disappointed with my good friend from Weyburn (Mr. Young): "Consistency, thou art a jewel." I cannot see the difference between sending a measure of this kind to committee and sending a measure such as the Georgian bay canal charter. Personally I am prepared to support the sending of the Georgian bay canal charter to committee; I do so on principle, and I want to see this motion go to committee on exactly the same basis.

I rose more particularly to support the suggestion of the hon. member for Moose Jaw (Mr. Ross). I have on file I think some fifteen or twenty applications from returned soldiers covering a period of some four or five years; these men have become disabled no doubt through war service but can get no consideration whatever under the present act governing pensions to soldiers. I do think either amendment to that act or new legislation is long overdue; these soldiers who now find themselves disabled due to war service should be looked after.

I think this very important piece of legislation now before us should go to the committee on industrial and international relations, and I also think it would be most unfortunate to throw a measure of this kind, with no previous consideration, into the inter-provincial conference which may take place some time in the near future, because there

will be so many matters coming up for consideration then that the conference will not have time to consider in detail a measure of this kind. Apparently this committee is desirous of something to do and is willing to take this matter into consideration, so I think we should let it go to it and see what it can do to prepare this question for the consideration of that conference. I heartily support the resolution.

Mr. WILLIAM IRVINE (Wetaskiwin): I am very glad to note the expressions of sympathy just made by hon. gentlemen opposite in regard to this resolution. I merely rise to express the hope that they will not kill it with kindness, because I notice that it is getting towards six o'clock which has sounded the death knell of many an aspiration, so I hope we will save what we have to say until this question comes before the committee.

Mr. M. N. CAMPBELL (Mackenzie): I just wish to add a few words while this question is before the House. I think the hon. member for Weyburn (Mr. Young) entirely misunderstands the purpose and intention of this resolution. I do not give it my support on the understanding that it is another means of building up a dole system in this country; my support is given because I believe it will make a dole system unnecessary; I think that is the very intention of the resolution. I understand that if we establish something along the lines suggested by this resolution in Canada, it would be a contributory system. The official figures for Canada and the United States show that about 90 per cent of the men and women who die do not leave a cent behind them, and they have probably had nothing with which to provide for their old age. Under these circumstances it seems to me absolutely necessary to have some kind of an insurance system which will provide for sickness, indigence and possibly unemployment. Unemployment is something that we do not have to consider on the farms, of course; indeed, we are bothered more with over-employment, as the hon. member for Weyburn knows. I would wish, however, to refer particularly to the question of insurance and to say that I think this government might assist in the establishment of some kind of insurance which will lower to some degree at least the cost of protection to-day. I am not criticizing the insurance companies for the enormous profits they have made, because they have done a good service, but at present we who wish to lay something aside for our old age or to provide for our families in case of our early death, find that we must use the present insurance companies. I think if something were built up by the government on the same line followed by the insurance companies, a contributory system, something in which there would be no profits earned but in which all the receipts would be disbursed to the holders of the policies, we would do more for the people of Canada than we can do in any other way in the line of providing insurance against old age and infirmities.

I have here the last copy of the Canada Year Book; that is, for the year 1925, and I wish to quote a few figures showing the profits earned by our life insurance companies, to show what might be done by a contributory system built up by the government. For the year 1920 our Canadian life insurance companies showed an excess of income over expenditure of almost $40,000,000; for 1921 the figure was $47,000,000; for 1922, $50,000,000; for 1923, $60,000,000 and for 1924, $68,000,000 of an actual surplus. If you go over these figures right back to confederation you will find a tremendous surplus every year; in fact during that whole period I think it will be found that only about 50 per cent of the money paid in in premiums is returned to the policy holders or their dependents. I would suggest that if this resolution is sent to the committee they take into consideration some sort of a contributory system, perhaps on the lines of the old age annuities. The hon. member for Weyburn (Mr. Young) might just as well have referred to our old age annuity system as a dole system; I think the committee should have an opportunity to discuss this question and devise some means of meeting the situation that way, therefore I wish to give my support to the resolution.

Mr. PETER McGIBBON (Muskoka-Ontario): Mr. Speaker, I think it only proper that someone from this side of the House should have something to say on this resolution. It is not a new resolution as far as I am concerned. I have in my hand a volume of the Hansard of 1921 in which I am recorded as speaking in favour of a resolution of this kind. I do not very often find myself in harmony with the ideas of the hon. member for North Winnipeg (Mr. Heaps), I do not think he is very often sound in his ideas, and I am not just sure that I am in harmony with him in the present case. He has in fact not presented any ideas to the House. All he has done has been to present a kind of blanket resolution in which he asks for the appointment of a committee to go in

search of some definite ideas. However, I am in favour of this country making some provision for a class of people who, from the nature of our climatic conditions and seasonal industries, find themselves at certain times of the year out of employment. I think that the necessity for such provision is the keynote to and practically the only excuse for a resolution of this kind. We have in Canada many industries which of necessity must be classified as seasonal industries. For example, we have the lumbering industry, which is carried on to a large extent in my own constituency, where for five or six months of the year there is steady employment after which the men engaged in it find themselves out of work and for two or three months have a hard job to make a living. I think a somewhat similar condition exists in the west. Every summer we have a call from the provinces of Saskatchewan, Alberta and Manitoba for help to harvest the crops. We all know that those men are engaged in that work for sixty or ninety days. Then they are turned loose on the labour market, and for practically a month or two months they find themselves out of employment. Now I imagine every hon. member knows that the main thing in making a living is to have steady employment even if it is at a lower wage. A man who has steady employment without the necessity of travelling from one province to another, or from one part of a province to another, incurring expense in the shape of hotel bills and railway fares, is much better off than the person who, from necessity, has to follow a seasonal occupation. That is the class in Canada for whom I think we shall ultimately have to make some provision. I do think, and I have made this statement before, that a country as big as Canada, with its vast resources and small population, ought to be one of the wealthiest in the world. Unfortunately we have climatic conditions to face and those conditions practically bring about seasonal occupation. I am prepared to support legislation at this time in the interest of the man who is engaged in a seasonal occupation, but I want to place myself upon record as being strongly opposed to building up in this country a pauper class dependent upon the government for assistance.

That brings me back to a point mentioned by the last speaker. If legislation of this kind is going to be enacted there must be contributions by the individual himself. We cannot introduce into Canada anything pertaining to the dole system of Great Britain. That system is unnecessary here. It is derogatory to the development of a sound national sentiment and is repugnant to a self-respecting, independent and hardworking people. Independence is one of the things we should seek to inculcate in the Canadian character. The man who deserves to be encouraged is the man who is independent of his neighbour, independent of the government, independent of anybody, and who relies upon his own resources. I supported legislation of this character in 1921. I rather think, although I have not had the time to go through Hansard, that I supported the principle even before then. At the same time there is a danger that such assistance may encourage certain of our population in the towns and cities to live on the government, a condition which is derogatory to self-respect and not conducive to the formation of a healthy national character. I support the principle which underlies this proposal but at the same time I point out these drawbacks. In a country with such vast resources and such a small population there should not be any need for providing for such cases if we had a proper national policy.

Mr. G. D. MORIN (Bagot) (Translation): Mr. Speaker, may I be allowed to briefly state my views on the resolution No. 15. I shall consider it from three different points of view. First, constitutional; secondly, moral; and thirdly, economical.

First, constitutional. The British North America Act seems to provide for such cases —I mean of philanthropy—as those unfortunate enough to be without means. I think that the fathers of confederation were well inspired when they left the provinces with full power to dispose of these questions regarding public charity. As I glance over this resolution, I come to the conclusion that if the fathers of confederation had then foreseen not so much the state of poverty, as the economic need which the country would have to face, they would again have been justified in making provision for provincial autonomy in connection with questions of such import. Indeed, the principle of provincial autonomy is justified not only from the economic viewpoint but also if we consider the more immediate interest we take as regards our poor and those who are destitute. Each province having its own government, its own clergy entrusted with the duty of enlightening the people, can better sort out those who are destitute and need public assistance. I state that each particular province is better able to determine those whom they must support with public money, and, that the Dominion government cannot act for each separately.

As to its moral merit? We, in the province of Quebec particularly—I am better

acquainted with the people of Quebec than with those of the other provinces—I state that from the moral viewpoint we should object to the principle of this resolution, because it is rather of a nature to diminish the sense of responsibility within the family circle. Should this resolution become law it would point out to the children that they need not concern themselves about the future welfare of their parents, that they have but to look after themselves. This state insurance would provide for their parents when sick or unable to work. Therefore, as to the moral viewpoint of this resolution I cannot feel very enthusiastic.

Furthermore, the resolution mentions unemployment, illness and disability.

Mr. Speaker, as regards unemployment: whosoever becomes the victim of unemployment, in this country, does so because he has no desire to work; he really refuses work. I state in this House, if there be destitute people victims of unemployment, send them to my riding of Bagot, an essentially farming county which I have the honour to represent, and I pledge myself to find them work if they are willing to stick to it. In my opinion, Sir, if this resolution be enacted it will increase unemployment, and therefore it is vicious in its nature.

So far as illness and disability are concerned, it seems to me that each province should be able to look after itself. The province of Quebec is favoured in this regard. We have our charitable institutions; municipalities, our own municipal regulations, and, thank God, should illness or disability prevail among our citizens we have no fear of the future. What of the economic viewpoint? We might discourse at length on this subject. Federal legislation might be enacted, so to speak, throughout the country, but it would necessitate much more organization and would cost enormously more than would a provincial act which would provide for each individual case. As stated a short while ago by my hon. colleague, the member for Compton (Mr. Letellier), does the financial situation of the country allow us to indulge to that extent in new undertakings? Does the situation with regard to the settlement of our public debt allow us to venture on so dangerous grounds? We already have enacted legislation which will entail a very large expenditure. Lately we enacted legislation which will in the opinion of a number of members, bring on unheard of expenditures for each of the provinces, an act almost inapplicable with regard to the maritime provinces and other provinces of the Dominion. Shall we be drawn into another scheme which will be of a nature to impoverish us considerably? I state, Sir,—without any fear—that in principle I am against this resolution and that I am very strongly opposed to it.

Hon. R. B. BENNETT (West Calgary): Mr. Speaker, I desire to make only half a dozen observations with respect to this matter. A year ago I ventured to suggest to this House that the only equitable way in which we would ever attain the ends we sought was by an insurance scheme that would involve contributions by all those who desired benefits. I had given some little attention to the matter, and I arrived at that conclusion very definitely. I believe it will induce thrift, initiative; it will induce a man no longer to be looking to the state for everything, but rather encourage him to depend upon his own industry and his own thrift.

This resolution—which is so vastly different from a bill, as my hon. friend from Weyburn (Mr. Young), when he takes the trouble to ascertain, will learn—is based upon what? The assumption that a scheme of insurance may be devised by which every person who holds a policy of such insurance may have the definite promise that in time of unemployment or of sickness or invalidity he would be the recipient of some benefits; that is all. That policy can only be purchased by the payment of a premium, and if we encourage such thrift as will involve the payment of a premium from youth up to middle age, or during the period that he is able to pay it, we shall only be doing what is now being done by large industrial concerns. During the last few years the largest insurance companies in the world have been issuing pension policies, and the premiums are based upon actuarial figures. In the same way insurance against sickness and invalidity is now being issued under group policies which many of the industrial concerns are taking out in insurance companies.

But there is something further. We have in this Dominion an annuity system, and I know that at least one of the very greatest industrial concerns in the city of Montreal, in the province of Quebec, is now carefully studying the whole situation to determine whether or not it shall avail itself for each of its employees of the provisions of our annuity system. If that is done, the result will be that every one of the employees of that enterprise will have in his hands a policy, for it is an annuity policy, issued by the government of Canada at a premium of which he may pay the whole or part, depending upon the arrangement made between him and his employer. The result will be that

he will have an annuity certain on reaching a certain age, or his wife an annuity certain in the event of his death, and in the event of illness or invalidity there may come to him certain benefits. Those benefits would not come under the Canadian annuity system, but only under additional insurance carried by the company itself, or by taking out a policy in one of the stock or mutual companies of the country. That is the position with respect to that.

This resolution merely asks that this matter be investigated. I am certain that sooner or later this problem must be carefully studied. Nothing could be worse for this Dominion than to create a dole system. Nothing could be worse for Canada than to induce men to believe that they could look upon the state as something from which they could obtain benefits without making corresponding payments. Compensations and payments are the corollaries of one another; one is the complement of the other, and the payments made with respect to premiums for an insurance policy issued by the state against unemployment, sickness or invalidity, represent the savings made by the individual for the purpose of having the benefits to which I have referred. I think the modern thought and modern tendency, having regard to the great development that is taking place in industrial life and the relation the state bears to industry, has completely changed from what it was half a century ago, and there is an ever-increasing tendency on the part of those responsible for government and those responsible for industry to provide means whereby with contributions made by industry itself or by the state, the premiums are not entirely borne by the insured. Hence it is that this matter now engaged the attention of this parliament.

With respect to the constitutional attitude, the relations between the provinces and the Dominion, that is not important at this moment. It is sufficient to say that the matter is of such national importance that it is worthy of engaging the attention of a committee. It is only necessary to say further, that the younger a country is when it commences to encourage habits of thrift and saving and industry on the part of its people, the better it is for the country as it attains middle and old age, and the only regret of those in charge of these matters in the older countries is that they have not been able to establish such a scheme in days gone by, for the longer it is put off, the more difficult it becomes because of the greater average age of the population and the greater numbers employed in industry. We have this opportunity to inquire into this matter, the fundamental words of this resolution being, "the establishment of a system of insurance against" certain defined things, which, as I say, involves the payment of premiums. And to the extent to which premiums should be paid, just as in workmen's compensation cases we have payments made by industry; to the extent to which in the development of that idea industry and the state should contribute to the premiums which maintain that policy, to that extent it is necessary that this matter be investigated and determined by a committee.

I was rather surprised at an observation made by an hon. member in that corner of the House that he did not look to this party for assistance. Anyone who reads his history and who knows the development of social legislation in England will have learned that the first man who ever attained the rank of privy councillor in the labour ranks of England was one who, having investigated this matter said: We have received more in five years from the Conservative party than in fifty years from the Liberals. He would know that the hearts and minds of the Conservative party are in unison in demanding, so far as lies within their power, that everything possible be done to encourage the practice of thrift, the saving of money, the development of initiative and industry, and the taking care of men in their old age, so that they may be happy and proud and able to look their fellows in the face without realizing that they are recipients of charity or bounty.

Mr. J. J. E. GUERIN (St. Ann): Mr. Speaker, I have listened with a great deal of interest to the arguments that have been brought forward in support of this resolution, but I cannot convince myself that the resolution is seriously meant to bring about any positive action on the part of the committee, because the resolution conveys no specific instructions to that committee. I notice that it asks that the committee on industrial and international relations make a study of the question. Studies are very indefinite things; a study might last a week, a month, a year or a century. If any serious study were to be made, some plan would be laid down and something said in regard to how and when and what they were to study.

Why refer the matter to the committee on industrial and international relations? I cannot understand the reason. If the matter were to be seriously studied or contemplated, it should be laid before a special and eminent

committee of members of this House and not before any special standing committee which I doubt meets once in a whole session. I doubt whether this committee has met yet this year, and I am pretty well satisfied that the meetings of this committee during the previous session were few and far between. If they are to meet as frequently in the future as they have met in the past, I must come to the conclusion that the motion as presented is a very innocuous one and is designed simply to afford some imaginative consolation to certain gentlemen in their ardent efforts to make the citizens in general believe that they are the leaders of thought is so far as liberality is concerned. We are all seeking to do the greatest amount of good to the greatest number of people, and it is our duty to do all we can to relieve the needs of our fellowmen. But we are constitutionally established in such a way that we do very well when we attend to our own business. The duty of looking after the individual and the family is a matter which pertains essentially to the provinces, and I do not think we would be quite within our realm if we were to interfere with matters that did not pertain to our affairs.

In Quebec there has been no great anxiety in regard to lack of employment. As the hon. member for Bagot (Mr. Morin) has stated, if anybody wants work, let him go to Bagot or to some other county throughout Quebec and he will find that he will get work right away. Nobody in this country has ever yet died of starvation. It is a thing unheard of in Canada and no one in this country is in such a state that he cannot live comfortably. Our province especially takes every care of indigents. We have institutions of every description to look after those who are in need, and I cannot see that it is at all necessary for us to make any profound study as regards the best mode of establishing insurance against unemployment. Those who are unemployed are generally those who are not thrifty, and those who are not thrifty are not going to contribute to an insurance scheme that is calculated to give them a salary when they lose the employment in which they are at the moment occupied.

It does not seem serious to propose that we should undertake a study to find out means of establishing an insurance scheme to get people who are not thrifty to contribute in order to provide them with just what they require as a result of their lack of thrift. The whole situation is most illogical, and if anything were to be done in order to improve the social state in this country, it would be put into some more cogent form; it would be put into the hands of a certain number of gentlemen who understand this mode of insurance better and who could evolve something that would be for the benefit of the people in general. We have had too much of this socialistic doctrine served out to us in order to make us feel that there are some people who are really more inclined to be benevolent to their fellowmen than others.

Judging from the complexion of this House, I have no hesitation in saying that every hon. member here is prompted by the same feelings of benevolence, kindness, anxiety, and indeed worry over the welfare of his fellowman. I do not think it is necessary that we should get any lesson from a distant or an eccentric portion of our country to tell us what the rest of Canada has failed in doing ever since the foundation of this country. We are very sensitive people; we do not like to be criticized; we do not like to be given to understand that we are lax in doing our duty. We have always tried to do our duty as best we can, as fellow citizens of a great country. I am afraid that if we adopt what I may term a universal panacea for unemployment we shall attract those people who feel that they will be provided for whether they work or not.

The granting of doles is really the most baneful system that any country can put in operation. Unfortunately Great Britain instituted the system in response to the cry of the socialistic population following the post-war troubles. Hundreds of thousands of her people were without employment and in indigent circumstances, and something had to be done. But a dole system is very soon abused, and to-day you will find in Great Britain that although various positions are advertised the opportunities for employment are not embraced by those in receipt of the dole; they prefer it to work. We do not want anything of that kind here.

The spirit of internationalism does not appeal to me at all. We have had too much of that spirit evinced throughout the country, particularly in the city of Montreal. On the 1st of May every year our internationalists parade the streets singing anthems in praise of the blessings of internationalism. They never think of hoisting the Union Jack; they prefer to carry the red flag of anarchy, of disorder, of disunion—and we are supposed to stand by and admire it.

I am anxious indeed to see some form of legislation to provide for our indigent people, but I am very much opposed to anything of a socialistic character being enacted which will deceive our people and moreover deceive pros-

pective immigrants. We have had too many people who have not been in the habit of working in their native land come here without the slightest expectation of working. I cannot walk through the streets of our city without being stopped two or three times in every block by those who want help. That is not natural in this country where there is work for everybody and where our charitable institutions are available to relieve those in need. I may say that during the two years I was chief magistrate of Montreal begging was absolutely forbidden within the city, and anybody who offended was sent to gaol, with the result that begging was abolished completely. But lately I find the old trouble has reappeared. I believe the people who beg do so rather from a desire to make a little additional money rather than from absolute necessity.

To put our people in the category of those who will be provided for in case of need takes away from their independence. I remember very well that when I was in London on the occasion of the funeral of King Edward I called on the Right Hon. John Burns, the representative of labour in the ministry of the day. I desired to ascertain exactly how it was that the British authorities worked out their system of providing pure milk for little children. At that time we did not have a similar system perfected in this country. John Burns said to me: "I want you to bear one thing in mind more than any other—do not pauperize your people. No matter how insignificant a sum is required, do not give the milk away. If the people have not a halfpenny for the milk let them get some of their neighbours to come to their assistance. The spirit of independence is naturally paramount in every man's breast and he does not want to become a pauper or a beggar."

I feel that there is something more than insurance against unemployment at the bottom of this resolution. I think it has a tendency to create a socialistic atmosphere that is not at all agreeable to our citizens. We are an independent people and proud, and it is repugnant to us to have to appeal to the government for the necessities of life. Moreover, we are a brotherly people and inclined to help each other. It is not necessary for the state to undertake to do what we regard as our duty. I am sure there is not a member of this House but would resent the idea of being deprived of the opportunity of doing a charitable act, and I think the same is true of our people generally. After all, charity is a virtue that we all like to practise, and if the opportunity is taken from us by the state we are deprived of discharging our bounden duty towards our fellow men. This whole proposition apparently had its inception in the mind of someone who was very well disposed towards his fellow men, but who preferred that other people should put into practice his very generous sentiments. In other words, instead of practising the virtue that we all love to practise, he would have the state dispense charity and in that way relieve himself and others of the bounden duty of being charitable.

In conclusion, Mr. Speaker, I wish to make an appeal for my province—Quebec. The province of Quebec is probably the most liberally governed of our provinces. It does not hesitate to look at facts, and is not to be confused or stampeded by any cry that may be raised by any sect or sex or class. We have had the coöperation of the ladies in electing the members to this most august assembly but we are denied that privilege when it comes to electing representatives to our own little family gathering, the legislature in which we look after the intimate matters connected with the home. After all, the provincial government's function is to see to the integrity and well being, the maintenance and comfort of the home, and on that account we have not allowed ourselves to be prevented from practising the virtue of temperance, for instance. In media statu—the middle course—is the one condition in which we may practise any virtue. But if one is to be taken by the throat and ordered to do such and such a thing, whether one likes it or not, one is robbed of the opportunity of practising any virtue. It is partly from religious compunction as well as from philanthropic feelings towards our neighbours who come to visit us that we thought it just as well not to be over-enthusiastic in regard to total abstinence.

We look after our poor and give most generously to hospitals, and we provide for the indigent. But we have not yet begun to endow people about to die. We are doing all that can be humanly expected of a well organized and properly constituted government. I am very proud of the province of Quebec, as I am sure every one of my colleagues here is, because it has shown such toleration and good judgment and such fair dealing in the past. We have no misgivings for the future so far as our citizens are concerned, and I can say therefore in all seriousness that unless something more definite is elaborated to enable us to form some judgment in the matter I shall have to vote against the resolution.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker—

Mr. OSCAR L. BOULANGER (Bellechasse) (Translation): Mr. Chairman, you will not be astonished should I make use of my maternal tongue in making my bow in this House.

Mr. DEPUTY SPEAKER: The hon. member for Bellechasse (Mr. Boulanger) has the floor.

Mr. A. A. HEAPS (North Winnipeg): Is it not a rule of the House that speakers shall be heard alternately in relation to their position?

Mr. DEPUTY SPEAKER: There is no such rule.

Mr. HEAPS: Is it not the custom?

Mr. DEPUTY SPEAKER: That custom has been followed, but in this instance I saw the hon. member for Bellechasse first.

Mr. HEAPS: Did Mr. Speaker look on this side?

Some hon. MEMBERS: Order.

Mr. WOODSWORTH: Mr. Speaker—

Mr. DEPUTY SPEAKER: The hon. member for Bellechasse has the floor.

Mr. HEAPS: May I make a motion?

Mr. DEPUTY SPEAKER: No.

Mr. HEAPS: If I may, I move that the hon. member for Winnipeg North Centre (Mr. Woodsworth) be declared to have the floor.

Some hon. MEMBERS: Order.

Mr. HEAPS: May I move that motion?

Mr. DEPUTY SPEAKER: The hon. gentleman is in order in making such a motion.

Mr. BENNETT: There is no motion.

Mr. CASGRAIN: The hon. member for Bellechasse had the floor and he is entitled to speak.

Mr. DEPUTY SPEAKER: I first saw the member for Bellechasse and he has the right to the floor.

Mr. BOULANGER (Translation): As I had just stated, you will not be astonished should I make use of my maternal tongue in making my debut in this House. However, I have no apologies to make for speaking French here, it is an acknowledged right and we esteem it an honour to claim that right, when the opportunity presents itself, because there are privileges which may be forgotten by disuse. I had no intention to take part in this debate but certain phases were introduced into the discussion which interest me. I do not know if—

Mr. HEAPS: I rise to a point of order. A few moments ago I moved that the floor be given to the hon. member for Winnipeg North Centre and I should like to know on what ground that motion was rejected by Mr. Deputy Speaker.

Mr. LAPOINTE: I am sorry that this unfortunate incident has occurred but my hon. friend is obviously out of order. So far as I can recollect, when two members rise at the same time the one whom the Speaker first sees proceeds, but there may be a motion to give the floor to the other member. In this case, however, the member for Bellechasse had the floor. He had begun to deliver his speech when my hon. friend from North Winnipeg (Mr. Heaps) made his motion, a minute or two afterwards. Surely it would be contrary to the rules to entertain such a motion.

Mr. WOODSWORTH: May I say that I rose before the hon. member opposite? I was standing and had begun to address the Chair before he rose to speak.

Some hon. MEMBERS: Order.

Mr. WOODSWORTH: It is, I think, a fairly well understood practice in this House that the debate shall alternate. An hon. member had spoken on the other side and naturally I expected that I should have the opportunity next on this side. I was prepared, and contrary to all ordinary customs and courtesies of the House, the Speaker deliberately turned—

Some hon. MEMBERS: Order.

Mr. WOODSWORTH: —to the hon. gentleman on the other side.

Mr. CASGRAIN: May I say a few words on the subject? There is no point of order and what my hon. friend has said is not within the rules of the House. The point that was discussed was this, whether the hon. gentleman who has resumed his seat (Mr. Woodsworth) or my hon. friend from Bellechasse (Mr. Boulanger) was the one who was seen first. I was sitting on this side of the House and I know very well that the hon. member for Bellechasse was the first to get up and to be recognized by the Deputy Speaker. The Deputy Speaker declared that he had seen the hon. member for Bellechasse before observing the hon. member for Winnipeg North Centre and the matter is therefore settled. The member for Bellechasse has the floor and I do not see why the member for Winnipeg North Centre should be allowed to come in and raise a point of order. At any rate the point of order has

been discussed and disposed of by the Deputy Speaker, who allowed the hon. member for Bellechasse to proceed. I think the hon. member is in order.

Mr. SPEAKER (Having resumed the chair): Do any other hon. members desire to speak to the point of order? I understand that two hon. members of the House in the course of a debate rose simultaneously. The hon. member for Winnipeg North Centre first claimed the right to speak, but the Deputy Speaker decided that he had seen the hon. member for Bellechasse (Mr. Boulanger) first. If the point of order was raised then it has been settled, or an appeal should have been taken from the ruling of the Chair or a motion made that the member for Winnpieg North Centre be now heard. No appeal was taken and I do not see how the point of order can now be revived as it has already been decided. Might I recall to hon. members of the House rule 17, which reads as follows:

When two or more members rise to speak, Mr. Speaker calls upon the member who first rose in his place: but a motion may be made that any member who has risen "be now heard," or "do now speak," which motion shall be forthwith put without debate.

Under paragraph 208 of that rule will be found the following:

As a matter of courtesy a new member—

That is the case of the hon. member for Bellechasse:

—who has not yet spoken in the House is usually called in preference to other members rising at the same time; but this privilege will not be conceded unless claimed within the parliament to which the member was first returned.

That is exactly the case of the hon. member for Bellechasse. Everyone knows that the Chair is fair to all sides, and it has happened quite frequently that I have intervened with the whips of the ministerial party and of His Majesty's opposition in order to give the third party, comprising various groups, fair play in the debate. But as the ministerial party and the opposition are more numerous than the third party, naturally it is to be expected that during a debate more speakers from those two parties will be heard, but generally speaking I alternate between the three parties, and that is what I intend to do in the future. The principle of fairness must be applied to all parties in the House. In the meantime I will ask the hon. member for Bellechasse, who is a new member and a decided acquisition to the House, to proceed.

Mr. HEAPS: Mr. Speaker—

Some hon. MEMBERS: Order.

[Mr. Casgrain.]

Mr. HEAPS: The point I raised was in connection with the ruling of the Deputy Speaker. Immediately after the Deputy Speaker had refused the floor to my colleague from Winnipeg North Centre (Mr. Woodsworth) I did challenge his ruling by moving a motion, and I do not know how else a ruling could be challenged. Without expressing any reason, the Deputy Speaker merely called upon the hon. gentleman whom you now ask to proceed, and I desire to know upon what ruling he refused my motion.

Mr. LAVIGUEUR: There was no motion made; a point of order was raised and settled, and the hon. member for Bellechasse proceeded.

Mr. SPEAKER: I am informed by the Clerk of the House that the motion was made when the member for Bellechasse had already commenced to speak. The point can be best ascertained by consulting the scroll of the House.

Mr. HEAPS: Not only was a motion made, but I think the hon. member for West Calgary (Mr. Bennett) supported it.

Mr. SPEAKER: I have explained the ruling, and I hope hon. members will accept it in good faith.

Mr. HEAPS: Am I allowed—

Mr. SPEAKER: Order. The point is settled. No member can be interrupted unless by his leave, and at present the hon member for Bellechasse has the floor.

Mr. HEAPS: But, Mr. Speaker—

Some hon. MEMBERS: Order.

Mr. HEAPS: I would respectfully appeal from the ruling of the chair.

Mr. SPEAKER: There can be no appeal because there is no ruling.

Mr. BOULANGER (Translation): I do not know, Sir, whether I am in order in alluding to your ruling, however, I wish to thank you for the kind and too flattering words expressed in my behalf.

Mr. HEAPS: Have I the right to appeal the ruling of the chair?

Mr. SPEAKER: I simply stated what the Deputy Speaker, who preceded me in the chair, had done. I understand there was a point of order raised and that it was ruled upon, so there is nothing more to say; there is no appeal from the decision. I hope my hon. friend will understand that.

Mr. HEAPS: Does Your Honour say that I cannot appeal now?

Mr. LAPOINTE: My hon. friend cannot appeal now.

Mr. SPEAKER: I have already explained the rules of the House.

Mr. HEAPS: Can I not appeal?

Mr. SPEAKER: I ask the hon. gentleman to kindly preserve order in the House.

Mr. BOULANGER (Translation): Now, Sir, that calm has been restored over the disturbed waters, I trust that I may be allowed to follow up the remarks which I was about to make to the House. I was stating, when interrupted, that certain views introduced into this debate, especially, interested me.

These views were propounded by the hon. member for Laval-Two Mountains (Mr. Lacombe), in connection with immigration.

If I well understood the member for Laval-Two Mountains, he stated that if our immigrants were selected with care, if we only admitted into Canada people willing to work—people sound of body and soul—it would have been unnecessary for the hon. member for North Winnipeg (Mr. Heaps) to move the present resolution. I am interested in this question because this very day, I received a request from a number of my constituents, asking me to exert pressure on the government and especially on the Minister of Immigration with a view to affording the same advantages, the same favours and the same assistance to the citizens of eastern Canada who wished to settle in the west, as those afforded to immigrants from Europe. If the same assistance was given to the citizens of eastern Canada, in order to help them to settle in western Canada, our people would never think of asking for the enactment of the resolution we are at present discussing, for the simple reason that the people of eastern Canada have some pride and self-confidence and rely only on the work of their hands or brain to earn their living, and, therefore do not depend on the government to support either their families or themselves.

To assist European immigration, we already spend large sums so as to reimburse them of part of their travelling expenses and also to enable them to reach western Canada. Loans are even made to them so as to allow them to purchase land, farming implements and all that is needed to settle on the land. Taking into account, Sir, all these expenditures made to help immigration, taking also into account the outlay which we must further make to assist our fellow-citizens of the maritime provinces who claim that they are greatly in need of government assistance in the present crisis, considering the disbursements which we have to make to meet our war debt, rescue those who suffered on the battlefields or elsewhere as an aftermath of the war, develop our natural resources, I state that the time is not ripe and the country cannot afford the additional amounts necessary to enact legislation based on a resolution of this nature. We are told: It is not a question of the government assuming all the expenses necessitated by the enactment of this resolution. Very well. Even supposing the recipients are made to contribute, it is nevertheless true that the greatest portion of the money which will constitute the funds of this insurance will come from the treasury of Canada. In the riding which I have the honour to represent and in the province of Quebec as a whole, we do not need a resolution of this nature, we do not need the enactment of a government insurance scheme for our sick people, our unemployed and for those who are destitute. Why, Sir? Because, in the county of Bellechasse and in the province of Quebec, we are good Christians and we practise the maxim of Christ: Help one another. We do not live in opulence in my county, but there is no great poverty. All our citizens are good people and live comfortably; and should it happen that one of our neighbours becomes destitute, falls sick or is out of work, his friends put their hands in their pockets and help him through those unfortunate days. I do not wish to infer that our friends haling from the west are less good Christians than we are, but it strikes me that if they would only put into practice as we do in the province of Quebec, this Gospel truth: Help one another, they would not come before the House and ask the government to supplement their own personal liabilities, those they should themselves discharge towards their neighbours. It is time, Sir, to put a stop to this desire of placing all the burdens, both those of the community and individual, on the shoulders of the government; it is time to react against this continuous appeal to the public treasury in favour of such and such a scheme more or less fantastic, more or less well conceived or thought out; it is time that we should react against these schemes that only tend to increase the country's debt when our finances at present are far from being flourishing.

At six o'clock the House adjourned, without question being put, pursuant to rule.

END OF VOLUME I